

|   |                    |
|---|--------------------|
| Attorney or Party Name, Address, Telephone & FAX Nos., State Bar No. & Email Address<br><br>Lynda T. Bui - Bar No. 201002<br>Rika M. Kido - Bar No. 273780<br>SHULMAN HODGES & BASTIAN LLP<br>100 Spectrum Center Drive, Suite 600<br>Irvine, California 92618<br>Telephone: (949) 340-3400<br>Facsimile: (949) 340-3000<br>Email: lbui@shbllp.com; rkido@shbllp.com<br><br><input type="checkbox"/> Individual appearing without attorney<br><input checked="" type="checkbox"/> Attorney for: Charles W. Daff | FOR COURT USE ONLY |
|---|--------------------|

|   |  |
|---|--|
| <b>UNITED STATES BANKRUPTCY COURT<br/>CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b> |  |
| In re:<br><br>JAY L. MOFFET and<br>MAX E. KENNEDY,<br><br><br>Debtor(s).                      | CASE NO.: 6:17-bk-10361-MW<br>CHAPTER: 7<br><br><b>NOTICE OF SALE OF ESTATE PROPERTY</b> |

|  |                      |
|--|----------------------|
| <b>Sale Date:</b> 12/12/2017   | <b>Time:</b> 2:00 pm |
| <b>Location:</b> United States Bankruptcy Court, Video Hearing Courtroom 225, 3420 Twelfth Street, Riverside, CA 92501 |                      |

**Type of Sale:** ☒ Public ☐ Private **Last date to file objections:** 11/28/2017

**Description of property to be sold:** Real property located at 15300 Palm Drive, #9, Desert Hot Springs, CA 92240

**Terms and conditions of sale:** See attached Statement of Information in Compliance with LBR 6004-1(c)(3).

**Proposed sale price:** To be determined, subject to Secured Creditor's approval of buyer, sale price and costs of sale

This form is mandatory. It has been approved for use in the United States Bankruptcy Court for the Central District of California.

Overbid procedure (*if any*): Not applicable

---

---

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

Hearing date on motion for approval of the short sale:

December 12, 2017 at 2:00 p.m.

Video Hearing Courtroom 225

United States Bankruptcy Court

3420 Twelfth Street, Riverside, CA 92501

---

Contact person for potential bidders (*include name, address, telephone, fax and/or email address*):

Rika M. Kido, Esq.

SHULMAN HODGES & BASTIAN LLP

100 Spectrum Center Drive Suite 600

Irvine, CA 92618

Telephone: (949) 340-3400

Facsimile: (949) 340-3000

Email: rkido@shbllp.com

---

Date: 11/16/2017

|   |   |
|---|---|
| <p>Attorney or Party Name, Address, Telephone &amp; FAX Nos., State Bar No. &amp; Email Address</p> <p>Lynda T. Bui - Bar No. 201002<br/>Rika M. Kido - Bar No. 273780<br/>SHULMAN HODGES &amp; BASTIAN LLP<br/>100 Spectrum Center Drive, Suite 600<br/>Irvine, California 92618<br/>Telephone: (949) 340-3400<br/>Facsimile: (949) 340-3000<br/>Email: lbui@shblp.com; rkido@shblp.com</p> <p><input type="checkbox"/> Individual appearing without attorney<br/><input checked="" type="checkbox"/> Attorney for: Charles W. Daff, Chapter 7 Trustee</p> | <p>FOR COURT USE ONLY</p>   |
| <p align="center"><b>UNITED STATES BANKRUPTCY COURT<br/>CENTRAL DISTRICT OF CALIFORNIA - RIVERSIDE DIVISION</b></p>   |   |
| <p>In re:</p> <p>JAY L. MOFFET and<br/>MAX E. KENNEDY,</p> <p align="right">Debtor(s).</p>  | <p>CASE NO.: 6:17-bk-10361-MW<br/>CHAPTER: 7</p> <p><b>NOTICE OF MOTION FOR:</b></p> <p>Chapter 7 Trustee's Motion for Order: (1) Authorizing the Short Sale of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b); (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief</p> <p><b>(Specify name of Motion)</b></p> <p>DATE: 12/12/2017<br/>TIME: 2:00 pm<br/>COURTROOM: Video hearing Courtroom 225<br/>PLACE: United States Bankruptcy Court<br/>3420 Twelfth Street<br/>Riverside, CA 92501-3819</p> |

1. TO (*specify name*): Debtors and their counsel, the United States Trustee, creditors and other parties in interest
2. NOTICE IS HEREBY GIVEN that on the following date and time and in the indicated courtroom, Movant in the above-captioned matter will move this court for an Order granting the relief sought as set forth in the Motion and accompanying supporting documents served and filed herewith. Said Motion is based upon the grounds set forth in the attached Motion and accompanying documents.
3. **Your rights may be affected.** You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)

4. **Deadline for Opposition Papers:** This Motion is being heard on regular notice pursuant to LBR 9013-1. If you wish to oppose this Motion, you must file a written response with the court and serve a copy of it upon the Movant or Movant's attorney at the address set forth above no less than fourteen (14) days prior to the above hearing date. If you fail to file a written response to this Motion within such time period, the court may treat such failure as a waiver of your right to oppose the Motion and may grant the requested relief.
5. **Hearing Date Obtained Pursuant to Judge's Self-Calendaring Procedure:** The undersigned hereby verifies that the above hearing date and time were available for this type of Motion according to the judge's self-calendaring procedures.

Date: 11/16/2017

SHULMAN HODGES & BASTIAN LLP  
Printed name of law firm

/s/ Rika M. Kido  
Signature

Rika M. Kido  
Printed name of attorney

**Attachments:**

- (1) Statement of Information**
- (2) Sale Motion**
- (3) Proof of Service**

**Statement of Information in Compliance with LBR 6004-1(c)(3)**

| <b><u>LBR 6004-1(c)(3) Requirement</u></b>   | <b><u>Information</u></b>   |
|--|---|
| <i>LBR 6004-1(c)(3)(A)</i><br>Date, Time, and Place of hearing on the proposed sale:   | Hearing Date and Time: December 12, 2017 at 2:00 pm.<br>Hearing Place: United States Bankruptcy Court<br>Video Hearing Courtroom 225<br>3420 Twelfth Street<br>Riverside, CA 92501  |
| <i>LBR 6004-1(c)(3)(B)</i><br>Name and address of the proposed buyer:  | The Buyer and the short sale of the Property are subject to approval of the Secured Creditor. <sup>1</sup> The Trustee has received an offer from:<br>Calvin Schofield, 107 E Coeur d'Alene Ave, Coeur d'Alene, ID 83814  |
| <i>LBR 6004-1(c)(3)(C)</i><br>Description of the property to be sold:  | Real property located at:<br>15300 Palm Drive, #9, Desert Hot Springs, CA 92240   |
| <i>LBR 6004-1(c)(3)(D)</i><br>Terms and conditions of the proposed sale, including the price and all contingencies:  | The Buyer has offered \$85,000.00. The Trustee's Broker Team anticipates a sale price approved by Secured Creditor that provides for the following: Payment of all expenses associated with the short sale, including (i) a 6% commission to the Broker and reimbursement of the Broker's out-of-pocket expenses, <u>and</u> (ii) a Trustee release fee for the Estate of \$15,000 or 4% of the selling price, whichever is greater, to be paid by the buyer at the close of escrow. The Property will not be sold unless the Estate receives this trustee release fee. Upon close of escrow, the lien of the Secured Creditor will be released and all of its claims against the Property and the Estate with respect to the Property (including any deficiency claims resulting from the Trustee's sale of the Property), will be waived.   |
| <i>LBR 6004-1(c)(3)(E)</i><br>Whether the proposed sale is free and clear of liens, claims or interests, or subject to them, and a description of all such liens, claims or interests:                 | Proposed short sale is subject to the liens identified in the Preliminary Title Report attached as <b>Exhibit 1</b> to the Declaration of Charles W. Daff annexed to the Motion, which includes Bank of America, N.A.   |
| <i>LBR 6004-1(c)(3)(F)</i><br>Whether the proposed sale is subject to higher and better bids:  | Yes, to the extent the Secured Creditor requires the highest and best offer and one that is consistent with the Secured Creditor's own appraisal.   |
| <i>LBR 6004-1(c)(3)(G)</i><br>Consideration to be received by the Estate, including estimated commissions, fees and other costs of sale:   | The Estate is expected to receive the trustee release fees of \$15,000 or 4% of the selling price, whichever is greater. The estimated costs of sale is 8% of the sale price (includes broker commission). Sale price and costs of sale are subject to the Secured Creditor's approval.   |
| <i>LBR 6004-1(c)(3)(H)</i><br>If authorization is sought to pay commission, the identity of the auctioneer, broker, or sales agent and the amount or percentage of the proposed commission to be paid: | Upon the Trustee's Application (docket 19) and Court order entered on May 25, 2017, docket 26, the Trustee was authorized to employ The Dyson Companies (formerly known as Hyatt Relocation Corporation) through its sales agent/broker Deborah Priebe (collectively the "Broker") as his real estate broker for the Property. Under the Application, the Broker agreed to cooperate with outside brokers. In the event any broker or agent other than the Broker represents a purchaser of the Property (a "Selling Broker"), the commission will be split between the Broker and the Selling Broker in amounts to be determined. In any event, the total commission will not exceed six percent of the total purchase price and is subject to approval of the Secured Creditor. Any payment to the Broker or Selling Broker, or any costs of sale, are subject to the Secured Creditor's approval and if the Secured Creditor does not approve, then the sale cannot close. |

<sup>1</sup> Capitalized terms have the meaning as set forth in the attached Sale Motion.

| <b><u>LBR 6004-1(c)(3) Requirement</u></b>   | <b><u>Information</u></b>  |
|--|--|
| <i>LBR 6004-1(c)(3)(I)</i><br>A description of the estimated or possible tax consequences to the Estate, if known, and how any tax liability generated by the sale of the property will be paid: | Trustee believes there will be no tax liability from the sale because he is informed that the Property is being sold for less than the Debtors' purchase price for the Property and there will be no gain from the sale. |
| <i>LBR 6004-1(c)(3)(J)</i><br>Date which objection must be filed and served:   | Objections, if any, must be filed and served 14 days prior to the Hearing Date (or by November 28, 2017).  |

1 Lynda T. Bui - Bar No. 201002  
2 Rika M. Kido - Bar No. 273780  
3 **SHULMAN HODGES & BASTIAN LLP**  
4 100 Spectrum Center Drive, Suite 600  
5 Irvine, California 92618  
6 Telephone: (949) 340-3400  
7 Facsimile: (949) 340-3000  
8 Email: lbui@shbllp.com;  
9 rkido@shbllp.com

10 Attorneys for Charles W. Daff,  
11 Chapter 7 Trustee

12 **UNITED STATES BANKRUPTCY COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

14 In re

15 **JAY L. MOFFET and**  
16 **MAX E. KENNEDY,**

17 Debtors.

Case No. 6:17-bk-10361-MW

Chapter 7

**CHAPTER 7 TRUSTEE'S MOTION FOR  
ORDER:**

- (1) **AUTHORIZING THE SHORT SALE OF  
REAL PROPERTY OF THE ESTATE  
PURSUANT TO BANKRUPTCY CODE §  
363(b);**
- (2) **APPROVING PAYMENT OF REAL ESTATE  
COMMISSION; AND**
- (3) **GRANTING RELATED RELIEF**

**MEMORANDUM OF POINTS AND  
AUTHORITIES AND DECLARATIONS OF  
CHARLES W. DAFF AND DEBORAH L. PRIEBE  
IN SUPPORT THEREOF**

**Real Property located at:  
15300 Palm Drive, #9  
Desert Hot Springs, California 92240**

**Hearing Date:**

Date: December 12, 2017

Time: 2:00 p.m.

Place: Video Hearing Courtroom 225

United States Bankruptcy Court

3420 Twelfth Street, Riverside, CA 92501



1 **TO THE HONORABLE MARK S. WALLACE, UNITED STATE BANKRUPTCY**  
2 **JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, THE DEBTORS AND**  
3 **ALL CREDITORS AND OTHER INTERESTED PARTIES AND THEIR COUNSEL OF**  
4 **RECORD:**

5 Charles W. Daff, the Chapter 7 trustee (“Trustee”) for the bankruptcy estate (“Estate”) of  
6 Jay L. Moffet and Max E. Kennedy (“Debtors”), brings this *Chapter 7 Trustee's Motion for*  
7 *Order: (1) Authorizing the **Short Sale** of Real Property of the Estate Pursuant to Bankruptcy*  
8 *Code § 363(b); (2) Approving Payment of Real Estate Commission; and (3) Granting Related*  
9 *Relief* (“Sale Motion”) and respectfully represents as follows:

10 **I. BACKGROUND**

11 The Debtors filed a voluntary petition under Chapter 7 of the Bankruptcy Code on  
12 January 17, 2017.

13 The last date to file claims in the case was July 10, 2017. Government claims were due  
14 by July 17, 2017. The Court’s Claims Register indicates there have been six general unsecured  
15 claims filed totaling \$17,295.78.

16 On their Schedule A/B, item 1, the Debtors list an ownership interest in real property  
17 (manufactured home) located at 15300 Palm Drive, #9, Desert Hot Springs, California 92240  
18 (“Property”) valued at \$90,000.00. On their Schedule C, the Debtors have not claimed an  
19 exemption in the Property. On their Schedule D, the Debtors list one lien against the Property in  
20 favor of Bank of America, N.A. (“Secured Creditor”) in the amount of \$100,607.00. Based on  
21 the Statement of Intention filed with their voluntary petition, the Trustee is advised that the  
22 Debtors do not intend to retain the Property.

23 A Preliminary Title Report dated November 14, 2017 on the Property is attached to the  
24 Declaration of Charles Daff (“Daff Declaration”) as **Exhibit 1**. The outstanding liens against the  
25 Property are as shown on the Preliminary Title Report.

26 Based on the Debtors’ Schedules and the Preliminary Title Report, the Property is over-  
27 encumbered.

28

1 **II. RELIEF REQUESTED**

2 Through this Sale Motion, the Trustee seeks authorization to short sell the Property,  
3 subject to written approval of the Secured Creditor, on terms that provide as follows:

- 4 • Payment of all expenses associated with the short sale, including (i) payment of a  
5 maximum 6% real estate brokerage commission to the Broker<sup>1</sup> and reimbursement  
6 of the Broker's out-of-pocket expenses, and (ii) a fee for the Estate of \$15,000.00  
7 to be paid by the buyer at the close of escrow to provide for a meaningful  
8 distribution on allowed unsecured claims. Thus, the Property will not be sold  
9 unless the Estate receives \$15,000.00. The Trustee will use the funds for payment  
10 of administrative claims and allowed unsecured claims. As is this Trustee's  
11 practice, if necessary, he and his professionals will reduce their fees as necessary  
12 to ensure a meaningful distribution.
- 13 • Upon close of escrow, the lien of the Secured Creditor will be released and all of  
14 its claims against the Property and the Estate with respect to the Property  
15 (including any deficiency claims resulting from the Trustee's sale of the Property),  
16 will be waived.

17 The Trustee believes that it is in the best interest of the Estate and its creditors to short  
18 sell the Property as set forth above. Nothing in the Sale Motion is intended to impair the Secured  
19 Creditor's right to seek relief from the automatic stay or to foreclose on the Property.

20 The Trustee believes that it is in the best interest of the Estate and its creditors to short  
21 sell the Property as proposed here. The alternative is to file a no asset report and creditors will  
22 not receive anything.

23  
24  
25 \_\_\_\_\_  
26 <sup>1</sup> Upon the Trustee's Application (docket 19) and Court order entered on May 25, 2017 docket 26, the Trustee was  
27 authorized to employ The Dyson Companies (formerly known as Hyatt Relocation Corporation) through its sales  
28 agent/broker Deborah Priebe (collectively the "Broker") as his real estate broker for the Property. Under the  
Application (docket 19), the Broker agreed to cooperate with outside brokers. In the event any broker or agent other  
than the Broker represents a purchaser of the Property (a "Selling Broker"), the commission will be split between the  
Broker and the Selling Broker in amounts to be determined. In any event, the total commission will not exceed six  
percent (6%) of the total purchase price and is subject to approval of the Secured Creditor.

Pursuant to Local Bankruptcy Rule 6004-1(g), once the short sale closes, the Trustee will file with the Court a *Report of Sale* which details the sale terms approved by the Secured Creditor.

### III. ARGUMENT

#### A. There is a Good Business Reason for the Sale and the Sale is in the Best Interest of the Estate.<sup>2</sup>

The duties of a trustee in a Chapter 7 filing are enumerated in 11 U.S.C. §704, which provides in relevant part as follows:

(a) The trustee shall—

(1) collect and reduce to money the property of the estate for which such trustee serves, and close such estate as expeditiously as is compatible with the best interests of parties in interest;

(2) be accountable for all property received;

11 U.S.C. §704(a).

Further, the Trustee, after notice and hearing, may sell property of the estate. 11 U.S.C. § 363(b). Courts ordinarily will approve a proposed sale if there is a good business reason for the sale and the sale is in the best interests of the estate. *In re Wilde Horse Enterprises, Inc.*, 136 B.R. 830, 841 (Bankr. C.D. Cal. 1991); *In re Lionel Corp.*, 722 F.2d 1063, 1069 (2d Cir. 1983). In this case, the sale is anticipated to net the Estate \$15,000 or 4% of the selling price, whichever is greater, from the “trustee release fee” that the buyer will pay as part of the short sale.

### IV. CONCLUSION

**WHEREFORE** based upon the foregoing, the Trustee respectfully submits that good cause exists for granting the Sale Motion and requests that the Court enter an order which provides as follows:

1. Authorizing the Trustee to short sell the Property on an as-is, where-is basis, without any warranties or representations, to a buyer approved by the Secured Creditor (“Approved Buyer”), in an amount approved by Secured Creditor, under the terms and

---

<sup>2</sup> Although Local Bankruptcy Rule 6004-1(c)(2)(C) does not require that a memorandum of points and authorities be filed in support of the Motion, the Trustee is nevertheless submitting one.

conditions set forth above, including (i) authorizing the Trustee to comply with any written short sale approval letter to be obtained from Secured Creditor, (ii) Secured Creditor to pay all customary and normal closing costs at close of escrow, including a real estate commission of no more than 6%, (iii) upon close of escrow, the lien of the Secured Creditor shown on the Preliminary Title Report is released or paid and all of its claims against the Property and the Estate with respect to the Property (including any deficiency claims resulting from the Trustee's sale of the Property), will be waived prior to closing or at the time of closing; (iv) approving the trustee release fee payment from the Approved Buyer of \$15,000 or 4% of the selling price, whichever is greater, to the Estate; and (v) authorize the Trustee to execute any and all documents to effectuate the short sale.

2. Waiving the fourteen day stay of the order approving the sale under Federal Rules of Bankruptcy Procedure 6004(h) such that the sale can close as soon as possible after entry of the Court order approving the Sale Motion.

3. A determination by the Court that the Approved Buyer approved by the Secured Creditor is in good faith pursuant to Bankruptcy Code Section 363(m).

4. For such other and further relief as the Court deems just and proper under the circumstances of this case.

Dated: November 16, 2017

**SHULMAN HODGES & BASTIAN LLP**

/s/ Rika M. Kido

---

Lynda T. Bui

Rika M. Kido

Attorneys for Charles W. Daff, Chapter 7 trustee for the  
bankruptcy estate of *In re Jay L. Moffet and Max E.  
Kennedy*, Case No. 6:17-bk-10361-MW

# **DECLARATION**

**DECLARATION OF CHARLES W. DAFF**

I, Charles W. Daff, declare:

1. I am the duly appointed, qualified and acting Chapter 7 trustee for the bankruptcy estate (“Estate”) of *In re Jay L. Moffet and Max E. Kennedy* (“Debtors”). I have personal knowledge of the facts set forth here, and if called and sworn as a witness, I could and would competently testify thereto.

2. I make this Declaration in support of my *Chapter 7 Trustee's Motion for Order: (1) Authorizing the **Short Sale** of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b); (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief* (“Sale Motion”). All capitalized terms not otherwise defined here shall have the meaning set forth in the Sale Motion.

3. The Secured Creditor has not yet given their approval for a short sale. I have filed this Sale Motion to obtain an order approving the short sale of the Property on an as-is, where-is basis, to a buyer approved the Secured Creditor in an amount approved by the Secured Creditor and that results in the Estate receiving a trustee release fee of at least \$15,000 or 4% of the selling price, whichever is greater.

4. Attached here as **Exhibit 1** is a true and correct copy of the Preliminary Title Report for the Property dated November 14, 2017.

5. Attached here as **Exhibit 2** are true and correct copies of the Debtors’ Schedules A/B, C and D and their Statement of Intention.

6. Attached here as **Exhibit 3** is a true and correct copy of the short sale Real Estate Contract and other documents in support of the sale of the Property. The buyer is identified as **Calvin Schofield**. These documents have been submitted to the Secured Creditor for review and approval.

7. I am seeking to sell the Estate’s interest in the Property as discussed in the Sale Motion. I believe the short sale is in the best interest of the Estate as I will create “equity” through the short sale where there was none.

1           8.       The following information is being provided pursuant to Local Bankruptcy Rule  
2 6004-1(c)(2)(b). I obtained the assistance of the The Dyson Companies (formerly known as  
3 Hyatt Relocation Corporation, Deborah L. Priebe, agent (collectively, “Broker”) to attempt to  
4 short sell the Property. Based on the Broker’s review of the Property, the Broker Team advised  
5 that the value of the Property is approximately \$90,000.00. However, the best and current offer  
6 received for the Property is \$85,000.00. Because the Property is over-encumbered, I can only  
7 sell it if the Secured Creditor who is the mortgage lender on the Property approves the short sale.  
8 Every mortgage lender has its own procedure for approving short sales and I have asked Ms.  
9 Priebe to submit a declaration detailing the general procedure and process of such sale for the  
10 Court. Because the short sale process takes time and because I only have thirty days to closing  
11 from time of Secured Creditor’s approval of the short sale, I am filing this Sale Motion and  
12 requesting that the sale be approved *subject to approval by the Secured Creditor*.

13           9.       Unlike traditional sales, this short sale is not subject to traditional overbidding;  
14 instead, it is subject to any requirements of the Secured Creditor seeking the highest and best  
15 offer and one that is consistent with its own appraisal of the Property. I have not been contacted  
16 by any overbidders for the purchase of the Property. The Secured Creditor, who has complete  
17 and sole authority, will determine what sale price it will approve based on its own procedures,  
18 which routinely include its own appraisal, so I do not believe a traditional overbid process is  
19 necessary or appropriate as the highest price I obtain will still need to be subject to the Secured  
20 Creditor’s approval.

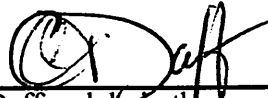
21           10.      The sale is in the best interest of the Estate because the Estate is anticipated to  
22 receive \$15,000 or 4% of the selling price from the sale. The current buyer has agreed to pay  
23 \$15,000. Because I have created “equity” where there was none, creditors can expect to receive  
24 a significant distribution (as opposed to nothing). I represent to the Court that I will work with  
25 my professionals (and if necessary, ask them to reduce administrative expenses) to ensure that  
26 creditors receive a meaningful distribution.

1 11. As is required by Federal Rule of Bankruptcy Procedure 6004(f) and Local  
2 Bankruptcy Rule 6004-1(g), I will file a Report of Sale detailing the terms of the sale shortly  
3 after the sale closes.

4 12. For the reasons set forth in the Sale Motion and this Declaration, I respectfully  
5 request that the Court grant the Sale Motion so that I do not lose this favorable business  
6 opportunity to generate a substantial amount of funds for the Estate from an asset that otherwise  
7 has no equity.

8 I declare under penalty of perjury under the laws of the United States of America that the  
9 foregoing is true and correct.

10 Executed on November 15, 2017November 16, 2017 at Santa Ana, California.

11  
12 

13 Charles W. Daff, solely in the capacity as the  
14 Chapter 7 Trustee for the bankruptcy estate of  
15 *In re Jay L. Moffet and Max E. Kennedy*  
16 Case No. 6:17-bk-10361-MW  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



# **DECLARATION**

**DECLARATION OF DEBORAH L. PRIEBE**

I, Deborah L. Priebe, declare and state as follows:

1. The matters stated below are true and correct and within my personal knowledge. If called as a witness, I could and would competently testify thereto. I am a real estate broker, duly licensed in the State of California and the State of Nevada and sales agent/broker associated with The Dyson Companies (formerly known as Hyatt Relocation Corporation) located at 12707 High Bluff Drive, Suite 200, San Diego, CA 92130; telephone 702-595-6536.

2. I make this declaration in support of the *Chapter 7 Trustee's Motion for Order: (1) Authorizing the **Short Sale** of Real Property of the Estate Pursuant to Bankruptcy Code § 363(b); (2) Approving Payment of Real Estate Commission; and (3) Granting Related Relief* ("Sale Motion") filed by Charles W. Daff ("Trustee"), the Chapter 7 trustee for the bankruptcy estate ("Estate") of *In re Jay L. Moffet and Max E. Kennedy* ("Debtors"). All capitalized terms not otherwise defined here shall have the meaning set forth in the Sale Motion.

3. I have read the Sale Motion and am familiar with the real property located at 15300 Palm Drive, #9, Desert Hot Springs, California 92240 ("Property").

4. As background, I would like to explain to the Court my understanding of the basic procedures that we go through to obtain the lender's short sale approval for any real property. As a caveat, all lenders have their own procedures in addition to the basic requirements. With respect to the basic requirements true for all short sales, we start with obtaining the listing from the bankruptcy trustee. After a physical inspection of the property, we take pictures and put the property on the market. To the extent that there are any showings requested, we accommodate that as well. We coordinate with the debtor or the occupant of the property. When we receive any offer, we send out a request for highest and best offer along with all the bankruptcy terms before submitting the highest and best to the bankruptcy trustee for review and execution. Once we have an accepted offer, we present that offer with a package of all required documents (which are lender specific). The package is often voluminous and lenders can change requirements midstream and we would need to submit completed documents on their forms. Routinely, if there is anything missing or not properly completed, the lender will not review the file or


1 consider the short sale. Assuming all documents are completed and are properly submitted, the  
2 lender usually obtains an independent appraisal of the property. Depending on the lender, at this  
3 stage, the file is assigned a negotiator.

4         5. The package for a short sale for any lender always includes a proposed  
5 preliminary HUD-1 which details what funds will come in for the sale and the costs to be paid as  
6 well as the payoff to the lender and the payment to the Estate. The HUD-1 is the basis for which  
7 every real estate sale transaction in the United States is founded on. There is not a transaction in  
8 any 50 states that is completed without a HUD-1. The buyer, seller and lender review and  
9 approve the HUD-1 before funds are dispersed through escrow in the state of California. The  
10 HUD-1 is signed by all parties in agreement to the payoff of each line item in the sale. The  
11 lienholder acknowledges that their final approval of closing a property would be the approval of  
12 said HUD-1. If for any reason the lender does not approve a line item, it would not sign the  
13 HUD-1, and escrow could not disburse funds or close the sale.

14         6. Once the package is complete, the negotiator then reviews the entire package,  
15 including the type and qualification of the proposed buyer and the proposed HUD-1 and all the  
16 itemized proposed payments. If the negotiator does not approve a certain cost or payment, he or  
17 she will require that the items be deleted or otherwise modified. Using the proposed HUD-1, the  
18 negotiator will cause the written short sale approval letter to be generated and sent to the  
19 bankruptcy trustee and/or the borrower(s). The short approval letter usually only provides for 30  
20 days to close escrow. An extension is often difficult to obtain. In addition, not closing escrow  
21 within the 30 days can substantially delay closing because some lenders re-start the process,  
22 others require new appraisals, and yet others will proceed with foreclosure. It is not uncommon  
23 to see the lender negotiate the short sale at the same time it proceeds with the foreclosure process  
24 such that upon expiration of the approval, the subject property forecloses. For the above reasons  
25 and based on my years of experience, it is most beneficial to obtain the Court order approving  
26 the short sale such that escrow can close shortly after the lender approves the short sale.

27         I declare under penalty of perjury under the laws of the United States of America that the  
28 foregoing is true and correct.

Executed on November 16, 2017, at San Diego, California.

  
Deborah L. Priebe

# **Exhibit 1**

## **Title Report**



4210 Riverwalk Parkway, Suite 200  
Riverside, CA 92505  
Phone: (951) 509-0211

Issuing Policies of **Chicago Title Insurance Company**

ORDER NO.: **00465410-993-SS1**

Escrow/Customer Phone: **(206) 450-2832**

Lock & Key Realty  
12421 Hesperia Rd #1  
Victorville, CA 92392  
ATTN: Teresa Roberts  
Email: [teresarobertsrealtor@gmail.com](mailto:teresarobertsrealtor@gmail.com)  
Reference No.:  
Reference No.:

Title Officer: **Sandy Staley**  
Title Officer Phone: **(951) 509-0211**  
Title Officer Fax: **(951) 509-5824**  
Title Officer Email: **sandy.staley@ticortitle.com**

PROPERTY: **15300 Palm Drive 9, Desert Hot Springs, CA**

### AMENDED PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Ticor Title Company of California** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception herein or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations or Conditions of said policy forms.*

*The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Attachment One. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Attachment One. Copies of the policy forms should be read. They are available from the office which issued this report.*

*This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.*

*The policy(s) of title insurance to be issued hereunder will be policy(s) of **Chicago Title Insurance Company**, a Nebraska Corporation.*

***Please read the exceptions shown or referred to herein and the exceptions and exclusions set forth in Attachment One of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.***

***It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.***

Countersigned:

By:   
Authorized Signature



By:   
Randy Quirk, President  
Attest:   
Michael Gravelle, Secretary



4210 Riverwalk Parkway, Suite 200  
Riverside, CA 92505  
Phone: (951) 509-0211

## AMENDED PRELIMINARY REPORT

**EFFECTIVE DATE:** November 2, 2017 at 7:30 a.m., Amended: November 14, 2017, Amendment No. 2

**ORDER NO.:** 00465410-993-SS1

The form of policy or policies of title insurance contemplated by this report is:

### ALTA Homeowners Policy of Title Insurance (12-2-13)

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

#### A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Max Kennedy, a single man and Jay L. Moffet, a single man as joint tenants, subject to proceedings pending in the bankruptcy court where a petition for relief was filed.

Name of Debtor: Jay L. Moffet and Max E. Kennedy

Date of Filing: 01/17/2017

U.S. District Court: Central District of California (Riverside)

Case No: 17-bk-10361-MW

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

See Exhibit A attached hereto and made a part hereof.

## EXHIBIT "A"

### LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF **RIVERSIDE**, STATE OF **CALIFORNIA**, AND IS DESCRIBED AS FOLLOWS:

Lot 9 of Tract No. 29935, in the City of Desert Hot Springs, County of Riverside, State of California, as shown by Map on file in Book 307, Pages 64 to 71 inclusive of Maps, in the Office of the County Recorder of said County.

APN: **656-410-024-2**



**EXCEPTIONS****AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:**

1. Property taxes, including any personal property taxes and any assessments collected with taxes, are as follows:

Tax Identification No.: 656-410-024-2  
 Fiscal Year: 2017-2018  
 1st Installment: \$1,027.46, Open (Delinquent after December 10)  
 Penalty: \$102.74  
 2nd Installment: \$1,027.46, Open (Delinquent after April 10)  
 Penalty and Cost: \$141.37  
 Homeowners Exemption: \$7,000.00  
 Code Area: 014-043

2. Intentionally Deleted

3. Any liens or other assessments, bonds, or special district liens including without limitation, Community Facility Districts, that arise by reason of any local, City, Municipal or County Project or Special District.

4. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 or Part 2, Chapter 3, Articles 3 and 4 respectively (commencing with Section 75) of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A; or as a result of changes in ownership or new construction occurring prior to date of policy

5. Water rights, claims or title to water, whether or not disclosed by the public records.

6. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document:

Purpose: For Roadway  
 Recording Date: November 20, 1959  
 Recording No: 195911-99098, of Official Records  
 Affects: said land more particularly described therein

7. Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document:

Purpose: For Road, Public Utility  
 Recording Date: November 20, 1959  
 Recording No: 195911-99100, of Official Records  
 Affects: said land more particularly described therein

8. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Granted To: General Telephone Company of California  
 Purpose: Public Utilities  
 Recording Date: September 19, 1986  
 Recording No: 1986-229631, of Official Records  
 Affects: said land more particularly described therein

The exact location and extent of said easement is not disclosed of record.

**EXCEPTIONS  
(Continued)**

9. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Granted To: Southern California Gas Company  
Purpose: Public Utilities  
Recording Date: December 10, 1986  
Recording No: 1986-314089, of Official Records  
Affects: said land more particularly described therein

The exact location and extent of said easement is not disclosed of record.

10. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Granted To: Southern California Gas Company  
Purpose: Public Utilities  
Recording Date: December 10, 1986  
Recording No: 1986-314090, of Official Records  
Affects: said land more particularly described therein

The exact location and extent of said easement is not disclosed of record.

11. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document:

Granted To: Southern California Edison Company  
Purpose: Public Utilities  
Recording Date: October 9, 1986  
Recording No: 1986-251483, of Official Records  
Affects: said land more particularly described therein

12. All easements, offers and dedications as shown on the official map

Tract of: 29935

**EXCEPTIONS  
(Continued)**

13. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$100,000.00  
Dated: February 15, 2007  
Trustor/Grantor: Max E. Kennedy, Jay L. Moffet  
Trustee: PRLAP, Inc.  
Beneficiary: Bank of America, N.A.  
Loan No.: 68249012413999  
Recording Date: March 6, 2007  
Recording No: 2007-0153570, of Official Records

The Deed of Trust set forth above is purported to be a "Credit Line" Deed of Trust. Under California Civil Code Section 2943.1 it is a requirement that the Trustor/Grantor of said Deed of Trust either immediately provide the beneficiary with the "Borrower's instruction to Suspend and Close Equity Line of Credit" or provide a satisfactory subordination of this Deed of Trust to the proposed Deed of Trust to be recorded at closing.

If the above credit line is being paid off, this Company will require that Escrow obtain written confirmation from the current Beneficiary that the account has been frozen prior to recording. Failure to do so will result in this Company holding funds at the close of Escrow until such confirmation is obtained from the Beneficiary.

14. A Notice of Manufactured Housing Unit or Commercial Coach, installed on a permanent foundation system

Recording Date: April 26, 2010  
Recording No.: 2010-0190372, of Official Records

15. Any rights of the parties in possession of a portion of, or all of, said Land, which rights are not disclosed by the Public Records.

The Company will require, for review, a full and complete copy of any unrecorded agreement, contract, license and/or lease, together with all supplements, assignments and amendments thereto, before issuing any policy of title insurance without excepting this item from coverage.

The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

**PLEASE REFER TO THE "INFORMATIONAL NOTES" AND "REQUIREMENTS" SECTIONS WHICH FOLLOW FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION.**

---

**END OF EXCEPTIONS**

---

**REQUIREMENTS SECTION**

1. In order to complete this report, the Company requires a Statement of Information to be completed by the following party(s),

Party(s): All Parties

The Company reserves the right to add additional items or make further requirements after review of the requested Statement of Information.

NOTE: The Statement of Information is necessary to complete the search and examination of title under this order. Any title search includes matters that are indexed by name only, and having a completed Statement of Information assists the Company in the elimination of certain matters which appear to involve the parties but in fact affect another party with the same or similar name. Be assured that the Statement of Information is essential and will be kept strictly confidential to this file.

2. Pursuant to the type of transaction contemplated in this Report, a Documentary Transfer Tax Affidavit must be filled out and executed to accompany the Transfer Deed, a form of which can be obtained by going to the following Website [www.riversideacr.com](http://www.riversideacr.com) or by contacting your Title Officer or Escrow Officer.
3. The Company will require an affidavit signed by the seller/mortgagor certifying that there are no matters that could give rise to any defects, liens, encumbrances, adverse claims or other matters that would attach to the Land between the effective date of the report and the recording of the instruments creating the estate to be insured.

---

**END OF REQUIREMENTS**

---

**Exhibit 1**

## INFORMATIONAL NOTES SECTION

1. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.
2. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land a Single Family Residence known as 15300 Palm Drive No. 9, City of Desert Hot Springs, California, to an Extended Coverage Loan Policy.
3. Note: None of the items shown in this report will cause the Company to decline to attach CLTA Endorsement Form 100 to an ALTA Loan Policy, when issued.
4. NOTE: Tigor Title Company of California will pay Chicago Title Insurance Company 12% of the title premium, as disclosed on lines 1107 and 1108 of the HUD-1.
5. Note: The policy of title insurance will include an arbitration provision. The company of the insured may demand arbitration. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. Please ask your escrow or title officer for a sample copy of the policy to be issued if you wish to review the arbitration provisions and any other provisions pertaining to your title insurance coverage.
6. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.

---

**END OF INFORMATIONAL NOTES**

---

Sandy Staley/vja

## Exhibit 1

## PRIVACY NOTICE

At Fidelity National Financial, Inc., we respect and believe it is important to protect the privacy of consumers and our customers. This Privacy Notice explains how we collect, use, and protect any information that we collect from you, when and to whom we disclose such information, and the choices you have about the use of that information. A summary of the Privacy Notice is below, and we encourage you to review the entirety of the Privacy Notice following this summary. You can opt-out of certain disclosures by following our opt-out procedure set forth at the end of this Privacy Notice.

|  |  |
|--|--|
| <p><b>Types of Information Collected.</b> You may provide us with certain personal information about you, like your contact information, address demographic information, social security number (SSN), driver's license, passport, other government ID numbers and/or financial information. We may also receive browsing information from your Internet browser, computer and/or mobile device if you visit or use our websites or applications.</p> | <p><b>How Information is Collected.</b> We may collect personal information from you via applications, forms, and correspondence we receive from you and others related to our transactions with you. When you visit our websites from your computer or mobile device, we automatically collect and store certain information available to us through your Internet browser or computer equipment to optimize your website experience.</p> |
| <p><b>Use of Collected Information.</b> We request and use your personal information to provide products and services to you, to improve our products and services, and to communicate with you about these products and services. We may also share your contact information with our affiliates for marketing purposes.</p>  | <p><b>When Information Is Disclosed.</b> We may disclose your information to our affiliates and/or nonaffiliated parties providing services for you or us, to law enforcement agencies or governmental authorities, as required by law, and to parties whose interest in title must be determined.</p>   |
| <p><b>Choices With Your Information.</b> Your decision to submit information to us is entirely up to you. You can opt-out of certain disclosure or use of your information or choose to not provide any personal information to us.</p>  | <p><b>Information From Children.</b> We do not knowingly collect information from children who are under the age of 13, and our website is not intended to attract children.</p>   |
| <p><b>Privacy Outside the Website.</b> We are not responsible for the privacy practices of third parties, even if our website links to those parties' websites.</p>  | <p><b>International Users.</b> By providing us with your information, you consent to its transfer, processing and storage outside of your country of residence, as well as the fact that we will handle such information consistent with this Privacy Notice.</p>  |
| <p><b>The California Online Privacy Protection Act.</b> Some FNF companies provide services to mortgage loan servicers and, in some cases, their websites collect information on behalf of mortgage loan servicers. The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through those websites.</p>  |  |
| <p><b>Your Consent To This Privacy Notice.</b> By submitting information to us or by using our website, you are accepting and agreeing to the terms of this Privacy Notice.</p>  | <p><b>Access and Correction; Contact Us.</b> If you desire to contact us regarding this notice or your information, please contact us at <a href="mailto:privacy@fnf.com">privacy@fnf.com</a> or as directed at the end of this Privacy Notice.</p>  |

## Exhibit 1

Fidelity National Financial, Inc. and its majority-owned subsidiary companies providing title insurance, real estate- and loan-related services (collectively, "FNF", "our" or "we") respect and are committed to protecting your privacy. We will take reasonable steps to ensure that your Personal Information and Browsing Information will only be used in compliance with this Privacy Notice and applicable laws. This Privacy Notice is only in effect for Personal Information and Browsing Information collected and/or owned by or on behalf of FNF, including Personal Information and Browsing Information collected through any FNF website, online service or application (collectively, the "Website").

### **Types of Information Collected**

We may collect two types of information from you: Personal Information and Browsing Information.

Personal Information. FNF may collect the following categories of Personal Information:

- contact information (e.g., name, address, phone number, email address);
- demographic information (e.g., date of birth, gender, marital status);
- social security number (SSN), driver's license, passport, and other government ID numbers;
- financial account information; and
- other personal information needed from you to provide title insurance, real estate- and loan-related services to you.

Browsing Information. FNF may collect the following categories of Browsing Information:

- Internet Protocol (or IP) address or device ID/UDID, protocol and sequence information;
- browser language and type;
- domain name system requests;
- browsing history, such as time spent at a domain, time and date of your visit and number of clicks;
- http headers, application client and server banners; and
- operating system and fingerprinting data.

### **How Information is Collected**

In the course of our business, we may collect *Personal Information* about you from the following sources:

- applications or other forms we receive from you or your authorized representative;
- the correspondence you and others send to us;
- information we receive through the Website;
- information about your transactions with, or services performed by, us, our affiliates or nonaffiliated third parties; and
- information from consumer or other reporting agencies and public records maintained by governmental entities that we obtain directly from those entities, our affiliates or others.

If you visit or use our Website, we may collect *Browsing Information* from you as follows:

- Browser Log Files. Our servers automatically log each visitor to the Website and collect and record certain browsing information about each visitor. The Browsing Information includes generic information and reveals nothing personal about the user.
- Cookies. When you visit our Website, a "cookie" may be sent to your computer. A cookie is a small piece of data that is sent to your Internet browser from a web server and stored on your computer's hard drive. When you visit a website again, the cookie allows the website to recognize your computer. Cookies may store user preferences and other information. You can choose whether or not to accept cookies by changing your Internet browser settings, which may impair or limit some functionality of the Website.

### **Use of Collected Information**

Information collected by FNF is used for three main purposes:

- To provide products and services to you or any affiliate or third party who is obtaining services on your behalf or in connection with a transaction involving you.
- To improve our products and services.
- To communicate with you and to inform you about our, our affiliates' and third parties' products and services, jointly or independently.

### **When Information Is Disclosed**

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) and Browsing Information to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Please see the section "Choices With Your Personal Information" to learn how to limit the discretionary disclosure of your Personal Information and Browsing Information.

Disclosures of your Personal Information may be made to the following categories of affiliates and nonaffiliated third parties:

- to third parties to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure;
- to our affiliate financial service providers for their use to market their products or services to you;
- to nonaffiliated third party service providers who provide or perform services on our behalf and use the disclosed information only in connection with such services;
- to nonaffiliated third party service providers with whom we perform joint marketing, pursuant to an agreement with them to market financial products or services to you;

## **Exhibit 1**



- to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoena or court order;
- to lenders, lien holders, judgment creditors, or other parties claiming an interest in title whose claim or interest must be determined, settled, paid, or released prior to closing; and
- other third parties for whom you have given us written authorization to disclose your Personal Information.

We may disclose Personal Information and/or Browsing Information when required by law or in the good-faith belief that such disclosure is necessary to:

- comply with a legal process or applicable laws;
- enforce this Privacy Notice;
- investigate or respond to claims that any material, document, image, graphic, logo, design, audio, video or any other information provided by you violates the rights of a third party; or
- protect the rights, property or personal safety of FNF, its users or the public.

We maintain reasonable safeguards to keep your Personal Information secure. When we provide Personal Information to our affiliates or third party service providers as discussed in this Privacy Notice, we expect that these parties process such information in compliance with our Privacy Notice or in a manner that is in compliance with applicable privacy laws. The use of your information by a business partner may be subject to that party's own Privacy Notice. Unless permitted by law, we do not disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent.

We reserve the right to transfer your Personal Information, Browsing Information, and any other information, in connection with the sale or other disposition of all or part of the FNF business and/or assets, or in the event of our bankruptcy, reorganization, insolvency, receivership or an assignment for the benefit of creditors. You expressly agree and consent to the use and/or transfer of the foregoing information in connection with any of the above described proceedings. We cannot and will not be responsible for any breach of security by a third party or for any actions of any third party that receives any of the information that is disclosed to us.

### Choices With Your Information

Whether you submit Personal Information or Browsing Information to FNF is entirely up to you. If you decide not to submit Personal Information or Browsing Information, FNF may not be able to provide certain services or products to you. The uses of your Personal Information and/or Browsing Information that, by law, you cannot limit, include:

- for our everyday business purposes – to process your transactions, maintain your account(s), to respond to law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders, or report to credit bureaus;
- for our own marketing purposes;
- for joint marketing with financial companies; and
- for our affiliates' everyday business purposes – information about your transactions and experiences.

You may choose to prevent FNF from disclosing or using your Personal Information and/or Browsing Information under the following circumstances ("opt-out"):

- for our affiliates' everyday business purposes – information about your creditworthiness; and
- for our affiliates to market to you.

To the extent permitted above, you may opt-out of disclosure or use of your Personal Information and Browsing Information by notifying us by one of the methods at the end of this Privacy Notice. We do not share your personal information with non-affiliates for their direct marketing purposes.

For California Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by California law. Currently, our policy is that we do not recognize "do not track" requests from Internet browsers and similar devices.

For Nevada Residents: You may be placed on our internal Do Not Call List by calling (888) 934-3354 or by contacting us via the information set forth at the end of this Privacy Notice. Nevada law requires that we also provide you with the following contact information: Bureau of Consumer Protection, Office of the Nevada Attorney General, 555 E. Washington St., Suite 3900, Las Vegas, NV 89101; Phone number: (702) 486-3132; email: BCPINFO@ag.state.nv.us.

For Oregon Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties for marketing purposes, except after you have been informed by us of such sharing and had an opportunity to indicate that you do not want a disclosure made for marketing purposes.

For Vermont Residents: We will not share your Personal Information and Browsing Information with nonaffiliated third parties, except as permitted by Vermont law, such as to process your transactions or to maintain your account. In addition, we will not share information about your creditworthiness with our affiliates except with your authorization. For joint marketing in Vermont, we will only disclose your name, contact information and information about your transactions.

### Information From Children

The Website is meant for adults and is not intended or designed to attract children under the age of thirteen (13). We do not collect Personal Information from any person that we know to be under the age of thirteen (13) without permission from a parent or guardian. By using the Website, you affirm that you are over the age of 13 and will abide by the terms of this Privacy Notice.

### Privacy Outside the Website

The Website may contain links to other websites. FNF is not and cannot be responsible for the privacy practices or the content of any of those other websites.

# Exhibit 1



#### **International Users**

FNF's headquarters is located within the United States. If you reside outside the United States or are a citizen of the European Union, please note that we may transfer your Personal Information and/or Browsing Information outside of your country of residence or the European Union for any of the purposes described in this Privacy Notice. By providing FNF with your Personal Information and/or Browsing Information, you consent to our collection and transfer of such information in accordance with this Privacy Notice.

#### **The California Online Privacy Protection Act**

For some FNF websites, such as the Customer CareNet ("CCN"), FNF is acting as a third party service provider to a mortgage loan servicer. In those instances, we may collect certain information on behalf of that mortgage loan servicer via the website. The information which we may collect on behalf of the mortgage loan servicer is as follows:

- first and last name;
- property address;
- user name and password;
- loan number;
- social security number - masked upon entry;
- email address;
- three security questions and answers; and
- IP address.

The information you submit through the website is then transferred to your mortgage loan servicer by way of CCN. **The mortgage loan servicer is responsible for taking action or making changes to any consumer information submitted through this website. For example, if you believe that your payment or user information is incorrect, you must contact your mortgage loan servicer.**

CCN does not share consumer information with third parties, other than (1) those with which the mortgage loan servicer has contracted to interface with the CCN application, or (2) law enforcement or other governmental authority in connection with an investigation, or civil or criminal subpoenas or court orders. All sections of this Privacy Notice apply to your interaction with CCN, except for the sections titled "Choices with Your Information" and "Access and Correction." If you have questions regarding the choices you have with regard to your personal information or how to access or correct your personal information, you should contact your mortgage loan servicer.

#### **Your Consent To This Privacy Notice**

By submitting Personal Information and/or Browsing Information to FNF, you consent to the collection and use of the information by us in compliance with this Privacy Notice. Amendments to the Privacy Notice will be posted on the Website. Each time you provide information to us, or we receive information about you, following any amendment of this Privacy Notice will signify your assent to and acceptance of its revised terms for all previously collected information and information collected from you in the future. We may use comments, information or feedback that you submit to us in any manner that we may choose without notice or compensation to you.

#### **Accessing and Correcting Information; Contact Us**

If you have questions, would like to access or correct your Personal Information, or want to opt-out of information sharing with our affiliates for their marketing purposes, please send your requests to [privacy@fnf.com](mailto:privacy@fnf.com) or by mail or phone to:

Fidelity National Financial, Inc.  
601 Riverside Avenue  
Jacksonville, Florida 32204  
Attn: Chief Privacy Officer  
(888) 934-3354

## **Exhibit 1**

## **Notice of Available Discounts**

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the field rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for each discount. These discounts only apply to transaction involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

### **FNF Underwritten Title Company**

TTCC - Tigor Title Company of California

### **FNF Underwriter**

CTIC - Chicago Title Insurance Company

### **Available Discounts**

#### **CREDIT FOR PRELIMINARY REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC)**

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge within the following time period from the date of the report.

#### **DISASTER LOANS (CTIC)**

The charge for a lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

#### **CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC)**

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 40% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

#### **EMPLOYEE RATE (TTCC and CTIC)**

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.

**ATTACHMENT ONE**  
**CALIFORNIA LAND TITLE ASSOCIATION**  
**STANDARD COVERAGE POLICY – 1990**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (12-02-13)**  
**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:

# Exhibit 1

- a. building;
  - b. zoning;
  - c. land use;
  - d. improvements on the Land;
  - e. land division; and
  - f. environmental protection.
- This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
  3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
  4. Risks:
    - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
    - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
    - c. that result in no loss to You; or
    - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
  5. Failure to pay value for Your Title.
  6. Lack of a right:
    - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
    - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
  7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
  8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

#### **LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

|                  | Your Deductible Amount  | Our Maximum Dollar<br>Limit of Liability |
|------------------|---|--|
| Covered Risk 16: | 1.00% % of Policy Amount Shown in Schedule A or<br>\$2,500.00 (whichever is less) | \$ 10,000.00                             |
| Covered Risk 18: | 1.00% % of Policy Amount Shown in Schedule A or<br>\$5,000.00 (whichever is less) | \$ 25,000.00                             |
| Covered Risk 19: | 1.00% of Policy Amount Shown in Schedule A or<br>\$5,000.00 (whichever is less)   | \$ 25,000.00                             |
| Covered Risk 21: | 1.00% of Policy Amount Shown in Schedule A or<br>\$2,500.00 (whichever is less)   | \$ 5,000.00                              |

#### **2006 ALTA LOAN POLICY (06-17-06)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;

or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

## **Exhibit 1**

3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13 or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### **EXCEPTIONS FROM COVERAGE**

(Except as provided in Schedule B - Part II, (t or T)his policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

#### **(PART I**

(The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

#### **PART II**

In addition to the matters set forth in Part I of this Schedule, the Title is subject to the following matters, and the Company insures against loss or damage sustained in the event that they are not subordinate to the lien of the Insured Mortgage:)

#### **2006 ALTA OWNER'S POLICY (06-17-06)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

**Exhibit 1**

3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

(The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.
7. (Variable exceptions such as taxes, easements, CC&R's, etc. shown here.)

#### **ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (04-02-15)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;

## **Exhibit 1**

- (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
  5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
  6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
  7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
  8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
  9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
    - (a) a fraudulent conveyance or fraudulent transfer, or
    - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.
  10. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
  11. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

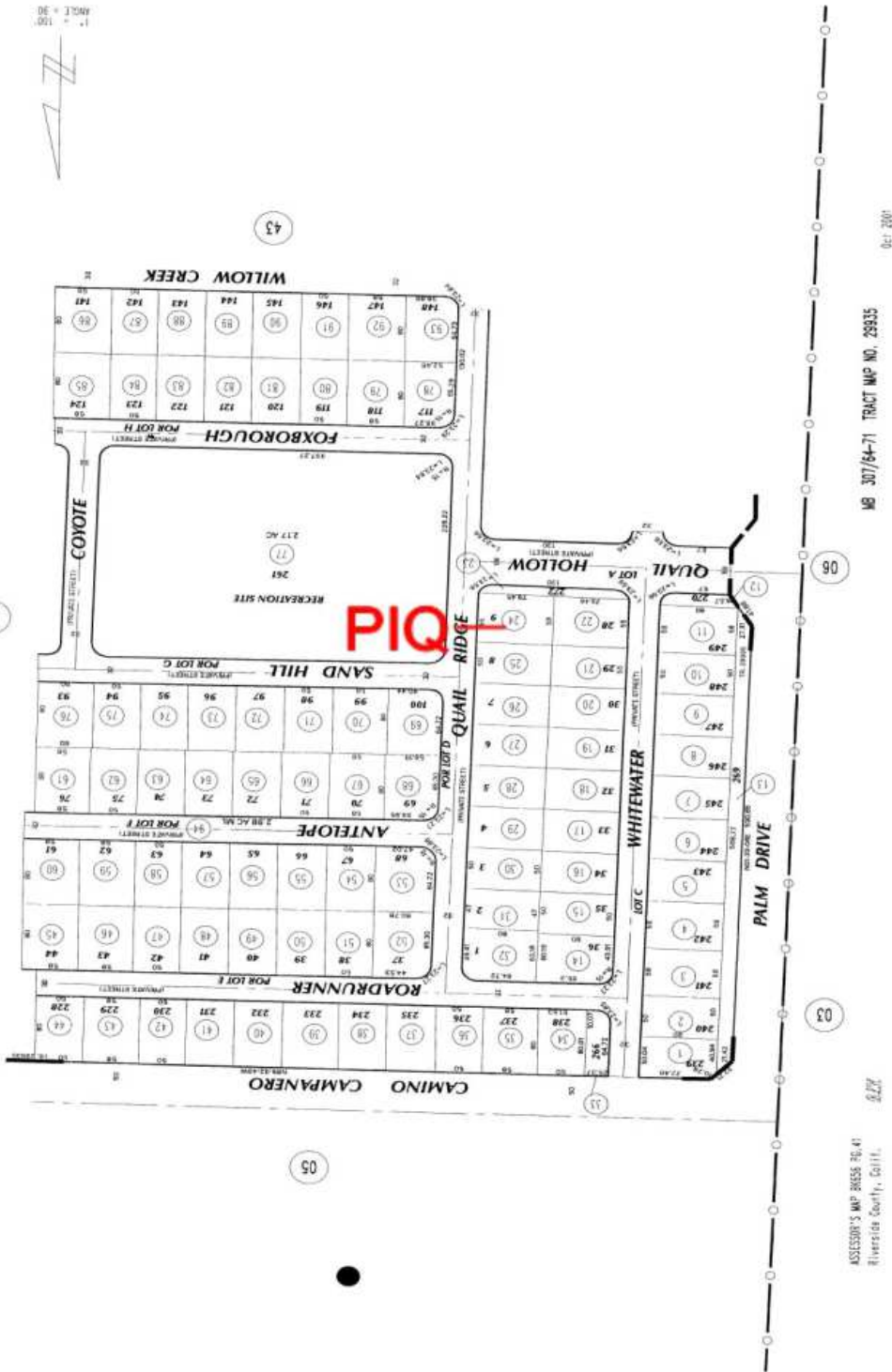
## Exhibit 1

656-41  
656-38

T.R.A. 014-043

POR SE 6 T.35., R.5E  
CITY OF DESERT HOT SPRINGS

THIS MAP WAS PREPARED FOR AGENCIES PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE CORRECTNESS OF THE PLANNING RECORDS. THIS MAP MAY NOT COME WITH LOCAL LOT-SPILL OR BUILDING SITE ORDINANCES.



This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

Exhibit 1



## STATEMENT OF INFORMATION

CONFIDENTIAL INFORMATION STATEMENT TO BE USED IN CONNECTION WITH ORDER NO: 00465410-993-SS1

COMPLETION OF THIS FORM WILL EXPEDITE YOUR ORDER AND WILL HELP PROTECT YOU.

**THE STREET ADDRESS of the property in this transaction is:**

IF NONE LEAVE BLANK

ADDRESS:

CITY:

IMPROVEMENTS: ☐ SINGLE RESIDENCE ☐ MULTIPLE RESIDENCE ☐ COMMERCIAL  
 OCCUPIED BY: ☐ OWNER ☐ LESSEE ☐ TENANTS  
 ANY PORTION OF NEW LOAN FUNDS TO BE USED FOR CONSTRUCTION: ☐ YES ☐ NO

**NAME****SPOUSES NAME**

FIRST MIDDLE LAST

FIRST MIDDLE LAST

BIRTHPLACE BIRTH DATE

BIRTHPLACE BIRTH DATE

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

I HAVE LIVED IN CALIFORNIA SINCE SOCIAL SECURITY NUMBER

DRIVER'S LICENSE NO. \_\_\_\_\_

DRIVER'S LICENSE NO. \_\_\_\_\_

WIFE'S MAIDEN NAME: \_\_\_\_\_

WE WERE MARRIED ON \_\_\_\_\_ AT \_\_\_\_\_

**RESIDENCE(S) FOR LAST 10 YEARS**

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

NUMBER AND STREET CITY FROM TO

**OCCUPATION(S) FOR LAST 10 YEARS****HUSBAND**

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

**WIFE**

PRESENT OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

PRIOR OCCUPATION FIRM NAME ADDRESS NO. OF YEARS

**FORMER MARRIAGES:** IF NO FORMER MARRIAGES, WRITE "NONE": \_\_\_\_\_

NAME OF FORMER SPOUSE \_\_\_\_\_

IF DECEASED: DATE \_\_\_\_\_ WHERE \_\_\_\_\_

**CURRENT LOAN ON PROPERTY**

PAYMENTS ARE BEING MADE TO: \_\_\_\_\_ 2. \_\_\_\_\_

1. \_\_\_\_\_ 3. \_\_\_\_\_

HOMEOWNERS ASSOCIATION \_\_\_\_\_ NUMBER: \_\_\_\_\_

DATE \_\_\_\_\_ SIGNATURE \_\_\_\_\_

HOME PHONE \_\_\_\_\_ BUSINESS PHONE \_\_\_\_\_

**Exhibit 1**



4210 Riverwalk Parkway, Suite 200  
Riverside, CA 92505  
Phone: (951) 509-0211

Owner's Information Statement

Order No. 00465410-993-SS1

This Affidavit, when fully completed, is to be signed **and notarized**, then returned to **Ticor Title Company of California** to enable **Ticor Title Company of California** to insure the presently pending transaction.

## A F F I D A V I T

The undersigned owner hereby states that there are no unrecorded leases or agreements affecting the property described in the Preliminary Report for Title Order Number **00465410-993-SS1** and that there is no one in possession or entitled to possession of said property other than the vestee shown in said Preliminary Report, **except:**

---

---

---

---

The undersigned owner states that to his/her knowledge, there are no liens or rights to liens upon said property for labor, services and materials for work contracted for, and completed by, an owner, lessee, sub-lessee or tenant within the last year or which is now in progress, **except:**

---

---

---

---

This statement is made in connection with the request to **Ticor Title Company of California** to issue its policy(ies) of title insurance with respect to Title Order Number **00465410-993-SS1**.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

# Exhibit 1



4210 Riverwalk Parkway, Suite 200  
Riverside, CA 92505  
Phone: (951) 509-0211

## CREDIT LINE / EQUITY LINE OF CREDIT CLOSURE REQUEST

Date: \_\_\_\_\_

To: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Attention:** Payoff Dept.

**Reference:** Account/Loan # \_\_\_\_\_

**Property Address:** 15300 Palm Drive 9, Desert Hot Springs, CA

To Whom It May Concern:

Please accept this letter as a request to close/freeze the above-referenced credit line or equity line of credit as of this date.

I/We agree not to request any advances on this account on or after the date of this letter.

You will be receiving payment in full from the proceeds of our escrow transaction. Upon receipt of payoff, please send your Reconveyance or Release of Lien to:

**Ticor Title Company of California**

4210 Riverwalk Parkway, Suite 200

Riverside, CA 92505

Attn: Sandy Staley

Ref: 00465410-993-SS1

Sincerely,

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(All borrowers must sign)

**Exhibit 2**  
**Schedules A/B, C and D**  
**Statement of Intention**

Fill in this information to identify your case and this filing:

|   |  |             |           |
|---|--|-------------|-----------|
| Debtor 1                                | <b>Jay L Moffet</b>                                |             |           |
|   | First Name   | Middle Name | Last Name |
| Debtor 2<br>(Spouse, if filing)         | <b>Max E Kennedy</b>                               |             |           |
|   | First Name   | Middle Name | Last Name |
| United States Bankruptcy Court for the: | CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION |             |           |
| Case number                             |  |             |           |

☐ Check if this is an amended filing

## Official Form 106A/B Schedule A/B: Property

12/15

In each category, separately list and describe items. List an asset only once. If an asset fits in more than one category, list the asset in the category where you think it fits best. Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known). Answer every question.

**Part 1: Describe Each Residence, Building, Land, or Other Real Estate You Own or Have an Interest In**

1. Do you own or have any legal or equitable interest in any residence, building, land, or similar property?

- ☐ No. Go to Part 2.
- ☒ Yes. Where is the property?

1.1

**15300 Palm Dr # 9**

Street address, if available, or other description

**Desert Hot Springs**

City

**CA**

State

**92240-6927**

ZIP Code

County

**What is the property?** Check all that apply

- ☐ Single-family home
- ☐ Duplex or multi-unit building
- ☐ Condominium or cooperative
- ☒ Manufactured or mobile home
- ☐ Land
- ☐ Investment property
- ☐ Timeshare
- ☐ Other

**Who has an interest in the property?** Check one

- ☐ Debtor 1 only
- ☐ Debtor 2 only
- ☒ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another

Other information you wish to add about this item, such as local property identification number:

Do not deduct secured claims or exemptions. Put the amount of any secured claims on *Schedule D: Creditors Who Have Claims Secured by Property*.

Current value of the entire property?

**\$90,000.00**

Current value of the portion you own?

**\$90,000.00**

Describe the nature of your ownership interest (such as fee simple, tenancy by the entireties, or a life estate), if known.

☐ Check if this is community property (see instructions)

2. Add the dollar value of the portion you own for all of your entries from Part 1, including any entries for pages you have attached for Part 1. Write that number here.....=>

**\$90,000.00**

**Part 2: Describe Your Vehicles**

Do you own, lease, or have legal or equitable interest in any vehicles, whether they are registered or not? Include any vehicles you own that someone else drives. If you lease a vehicle, also report it on *Schedule G: Executory Contracts and Unexpired Leases*.

Debtor 1

Debtor 2

Moffet, Jay L &amp; Kennedy, Max E

Case number (if known)

## 3. Cars, vans, trucks, tractors, sport utility vehicles, motorcycles

☐ No☒ Yes

3.1 Make: Honda  
 Model: CR-V  
 Year: 2015  
 Approximate mileage: 20000  
 Other information:

Who has an interest in the property? Check one

☐ Debtor 1 only☐ Debtor 2 only☒ Debtor 1 and Debtor 2 only☐ At least one of the debtors and another
☐ Check if this is community property  
 (see instructions)

Do not deduct secured claims or exemptions. Put  
 the amount of any secured claims on *Schedule D:*  
*Creditors Who Have Claims Secured by Property.*

Current value of the  
entire property?Current value of the  
portion you own?\$16,350.00\$0.00

3.2 Make: Lincoln  
 Model: Continental  
 Year: 2000  
 Approximate mileage: 112000  
 Other information:

Who has an interest in the property? Check one

☐ Debtor 1 only☐ Debtor 2 only☒ Debtor 1 and Debtor 2 only☐ At least one of the debtors and another
☐ Check if this is community property  
 (see instructions)

Do not deduct secured claims or exemptions. Put  
 the amount of any secured claims on *Schedule D:*  
*Creditors Who Have Claims Secured by Property.*

Current value of the  
entire property?Current value of the  
portion you own?\$1,571.00\$1,571.00

## 4. Watercraft, aircraft, motor homes, ATVs and other recreational vehicles, other vehicles, and accessories

Examples: Boats, trailers, motors, personal watercraft, fishing vessels, snowmobiles, motorcycle accessories

☒ No☐ Yes

5 Add the dollar value of the portion you own for all of your entries from Part 2, including any entries for pages  
 you have attached for Part 2. Write that number here.....=>

\$1,571.00**Part 3:** Describe Your Personal and Household Items

Do you own or have any legal or equitable interest in any of the following items?

Current value of the  
portion you own?  
Do not deduct secured  
claims or exemptions.

## 6. Household goods and furnishings

Examples: Major appliances, furniture, linens, china, kitchenware

☐ No☒ Yes. Describe.....

General household goods valued at replacement cost, including  
 sofa, loveseat, dining room table and chairs, common kitchen  
 appliances and kitchenware, bedroom sets, and other assorted  
 household goods. No single item valued over \$500.00

\$4,500.00

## 7. Electronics

Examples: Televisions and radios; audio, video, stereo, and digital equipment; computers, printers, scanners; music collections; electronic devices  
including cell phones, cameras, media players, games☐ No☒ Yes. Describe.....

Common household electronics valued at replacement cost. No  
 single item valued over \$500.00

\$2,500.00

Debtor 1  
Debtor 2

Moffet, Jay L &amp; Kennedy, Max E

Case number (if known)

**8. Collectibles of value***Examples:* Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; stamp, coin, or baseball card collections; other collections, memorabilia, collectibles☒ No☐ Yes. Describe.....**9. Equipment for sports and hobbies***Examples:* Sports, photographic, exercise, and other hobby equipment; bicycles, pool tables, golf clubs, skis; canoes and kayaks; carpentry tools; musical instruments☒ No☐ Yes. Describe.....**10. Firearms***Examples:* Pistols, rifles, shotguns, ammunition, and related equipment☒ No☐ Yes. Describe.....**11. Clothes***Examples:* Everyday clothes, furs, leather coats, designer wear, shoes, accessories☐ No☒ Yes. Describe.....

Mens clothing valued at replacement cost. No single item valued over \$100

\$1,250.00

**12. Jewelry***Examples:* Everyday jewelry, costume jewelry, engagement rings, wedding rings, heirloom jewelry, watches, gems, gold, silver☐ No☒ Yes. Describe.....

Men's costume jewelry, including watches, glasses, etc.

\$1,500.00

**13. Non-farm animals***Examples:* Dogs, cats, birds, horses☒ No☐ Yes. Describe.....**14. Any other personal and household items you did not already list, including any health aids you did not list**☒ No☐ Yes. Give specific information.....**15. Add the dollar value of all of your entries from Part 3, including any entries for pages you have attached for Part 3. Write that number here .....**

\$9,750.00

**Part 4: Describe Your Financial Assets****Do you own or have any legal or equitable interest in any of the following?****Current value of the portion you own?**  
Do not deduct secured claims or exemptions.**16. Cash***Examples:* Money you have in your wallet, in your home, in a safe deposit box, and on hand when you file your petition☒ No☐ Yes.....**17. Deposits of money***Examples:* Checking, savings, or other financial accounts; certificates of deposit; shares in credit unions, brokerage houses, and other similar institutions. If you have multiple accounts with the same institution, list each.☐ No☒ Yes.....

Institution name:

Debtor 1  
Debtor 2

Moffet, Jay L & Kennedy, Max E

Case number (if known)

17.1. Checking Account Bank of America \$100.00

17.2. Checking Account One West Bank \$500.00

18. Bonds, mutual funds, or publicly traded stocks

Examples: Bond funds, investment accounts with brokerage firms, money market accounts

☒ No

☐ Yes..... Institution or issuer name:

19. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including an interest in an LLC, partnership, and joint venture

☒ No

☐ Yes. Give specific information about them.....

Name of entity:

% of ownership:

20. Government and corporate bonds and other negotiable and non-negotiable instruments

Negotiable instruments include personal checks, cashiers' checks, promissory notes, and money orders.

Non-negotiable instruments are those you cannot transfer to someone by signing or delivering them.

☒ No

☐ Yes. Give specific information about them

Issuer name:

21. Retirement or pension accounts

Examples: Interests in IRA, ERISA, Keogh, 401(k), 403(b), thrift savings accounts, or other pension or profit-sharing plans

☒ No

☐ Yes. List each account separately.

Type of account:

Institution name:

22. Security deposits and prepayments

Your share of all unused deposits you have made so that you may continue service or use from a company

Examples: Agreements with landlords, prepaid rent, public utilities (electric, gas, water), telecommunications companies, or others

☒ No

☐ Yes. ....

Institution name or individual:

23. Annuities (A contract for a periodic payment of money to you, either for life or for a number of years)

☒ No

☐ Yes..... Issuer name and description.

24. Interests in an education IRA, in an account in a qualified ABLE program, or under a qualified state tuition program.

26 U.S.C. §§ 530(b)(1), 529A(b), and 529(b)(1).

☒ No

☐ Yes..... Institution name and description. Separately file the records of any interests. 11 U.S.C. § 521(c):

25. Trusts, equitable or future interests in property (other than anything listed in line 1), and rights or powers exercisable for your benefit

☒ No

☐ Yes. Give specific information about them...

26. Patents, copyrights, trademarks, trade secrets, and other intellectual property

Examples: Internet domain names, websites, proceeds from royalties and licensing agreements

☒ No

☐ Yes. Give specific information about them...

27. Licenses, franchises, and other general intangibles

Examples: Building permits, exclusive licenses, cooperative association holdings, liquor licenses, professional licenses

☒ No

☐ Yes. Give specific information about them...

Money or property owed to you?

Current value of the  
portion you own?

Do not deduct secured  
claims or exemptions.



Debtor 1  
Debtor 2

Moffet, Jay L &amp; Kennedy, Max E

Case number (if known)

28. **Tax refunds owed to you**☒ No☐ Yes. Give specific information about them, including whether you already filed the returns and the tax years.....29. **Family support***Examples:* Past due or lump sum alimony, spousal support, child support, maintenance, divorce settlement, property settlement☒ No☐ Yes. Give specific information.....30. **Other amounts someone owes you***Examples:* Unpaid wages, disability insurance payments, disability benefits, sick pay, vacation pay, workers' compensation, Social Security benefits; unpaid loans you made to someone else☒ No☐ Yes. Give specific information..31. **Interests in insurance policies***Examples:* Health, disability, or life insurance; health savings account (HSA); credit, homeowner's, or renter's insurance☒ No☐ Yes. Name the insurance company of each policy and list its value.

Company name:

Beneficiary:

Surrender or refund  
value:32. **Any interest in property that is due you from someone who has died**

If you are the beneficiary of a living trust, expect proceeds from a life insurance policy, or are currently entitled to receive property because someone has died.

☒ No☐ Yes. Give specific information..33. **Claims against third parties, whether or not you have filed a lawsuit or made a demand for payment***Examples:* Accidents, employment disputes, insurance claims, or rights to sue☒ No☐ Yes. Describe each claim.....34. **Other contingent and unliquidated claims of every nature, including counterclaims of the debtor and rights to set off claims**☒ No☐ Yes. Describe each claim.....35. **Any financial assets you did not already list**☒ No☐ Yes. Give specific information..36. **Add the dollar value of all of your entries from Part 4, including any entries for pages you have attached for Part 4. Write that number here.....**

\$600.00

**Part 5: Describe Any Business-Related Property You Own or Have an Interest In. List any real estate in Part 1.**37. **Do you own or have any legal or equitable interest in any business-related property?**☒ No. Go to Part 6.☐ Yes. Go to line 38.**Part 6: Describe Any Farm- and Commercial Fishing-Related Property You Own or Have an Interest In.**

If you own or have an interest in farmland, list it in Part 1.

46. **Do you own or have any legal or equitable interest in any farm- or commercial fishing-related property?**☒ No. Go to Part 7.☐ Yes. Go to line 47.

Debtor 1  
Debtor 2

Moffet, Jay L &amp; Kennedy, Max E

Case number (if known)

**Part 7:** Describe All Property You Own or Have an Interest in That You Did Not List Above

## 53. Do you have other property of any kind you did not already list?

Examples: Season tickets, country club membership

☒ No☐ Yes. Give specific information.....

54. Add the dollar value of all of your entries from Part 7. Write that number here .....

\$0.00

**Part 8:** List the Totals of Each Part of this Form

|  |             |  |
|--|-------------|--|
| 55. Part 1: Total real estate, line 2 .....                      |             | \$90,000.00                              |
| 56. Part 2: Total vehicles, line 5                               | \$1,571.00  |  |
| 57. Part 3: Total personal and household items, line 15          | \$9,750.00  |  |
| 58. Part 4: Total financial assets, line 36                      | \$600.00    |  |
| 59. Part 5: Total business-related property, line 45             | \$0.00      |  |
| 60. Part 6: Total farm- and fishing-related property, line 52    | \$0.00      |  |
| 61. Part 7: Total other property not listed, line 54             | +           | \$0.00                                   |
| 62. Total personal property. Add lines 56 through 61...          | \$11,921.00 | Copy personal property total \$11,921.00 |
| 63. Total of all property on Schedule A/B. Add line 55 + line 62 |             | \$101,921.00                             |

Fill in this information to identify your case:

|   |  |             |           |
|---|--|-------------|-----------|
| Debtor 1                                | <b>Jay L Moffet</b>                                |             |           |
|   | First Name   | Middle Name | Last Name |
| Debtor 2<br>(Spouse if, filing)         |  |             |           |
|   | First Name   | Middle Name | Last Name |
| United States Bankruptcy Court for the: | CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION |             |           |
| Case number<br>(if known)               |  |             |           |

☐ Check if this is an amended filing

## Official Form 106C

### Schedule C: The Property You Claim as Exempt

4/16

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

#### Part 1: Identify the Property You Claim as Exempt

1. Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.

- ☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)
- ☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.

| Brief description of the property and line on <i>Schedule A/B</i> that lists this property  | Current value of the portion you own<br><small>Copy the value from <i>Schedule A/B</i></small> | Amount of the exemption you claim<br><small>Check only one box for each exemption.</small>   | Specific laws that allow exemption |
|---|--|--|------------------------------------|
| <b>Debtor 1 Exemptions</b>  |  |  |                                    |
| Lincoln Continental 2000 112000<br><small>Line from <i>Schedule A/B</i>: 3.2</small>  | \$1,571.00   | <input checked="" type="checkbox"/> \$1,571.00<br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | CCCP § 703.140(b)(2)               |
| General household goods valued at replacement cost, including sofa, loveseat, dining room table and chairs, common kitchen appliances and kitchenware, bedroom sets, and other assorted household goods. No single item valued over \$500.00<br><small>Line from <i>Schedule A/B</i>: 6.1</small> | \$4,500.00   | <input checked="" type="checkbox"/> \$4,500.00<br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | CCCP § 703.140(b)(3)               |
| Common household electronics valued at replacement cost. No single item valued over \$500.00<br><small>Line from <i>Schedule A/B</i>: 7.1</small>   | \$2,500.00   | <input checked="" type="checkbox"/> \$2,500.00<br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | CCCP § 703.140(b)(3)               |
| Mens clothing valued at replacement cost. No single item valued over \$100<br><small>Line from <i>Schedule A/B</i>: 11.1</small>  | \$1,250.00   | <input checked="" type="checkbox"/> \$1,250.00<br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | CCCP § 703.140(b)(3)               |

| Brief description of the property and line on Schedule A/B that lists this property                   | Current value of the portion you own<br><small>Copy the value from Schedule A/B</small> | Amount of the exemption you claim<br><small>Check only one box for each exemption.</small>   | Specific laws that allow exemption |
|---|---|--|------------------------------------|
| <b>Men's costume jewelry, including watches, glasses, etc.</b><br>Line from Schedule A/B: <b>12.1</b> | <u><b>\$1,500.00</b></u>  | <input checked="" type="checkbox"/> <u><b>\$1,500.00</b></u><br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit | CCCP § 703.140(b)(4)               |
| <b>Bank of America</b><br>Line from Schedule A/B: <b>17.1</b>   | <u><b>\$100.00</b></u>  | <input checked="" type="checkbox"/> <u><b>\$100.00</b></u><br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit   | CCCP § 703.140(b)(5)               |
| <b>One West Bank</b><br>Line from Schedule A/B: <b>17.2</b>   | <u><b>\$500.00</b></u>  | <input checked="" type="checkbox"/> <u><b>\$500.00</b></u><br><input type="checkbox"/> 100% of fair market value, up to any applicable statutory limit   | CCCP § 703.140(b)(5)               |

3. **Are you claiming a homestead exemption of more than \$160,375?**  
(Subject to adjustment on 4/01/19 and every 3 years after that for cases filed on or after the date of adjustment.)
- ☒ No
- ☐ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?
- ☐ No
- ☐ Yes

Fill in this information to identify your case:

Debtor 1  
First Name Middle Name Last Name  
Debtor 2  
(Spouse if, filing) **Max E Kennedy**  
First Name Middle Name Last Name  
United States Bankruptcy Court for the: CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION  
Case number  
(if known)

☐ Check if this is an amended filing

Official Form 106C

Schedule C: The Property You Claim as Exempt

4/16

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. Using the property you listed on *Schedule A/B: Property* (Official Form 106A/B) as your source, list the property that you claim as exempt. If more space is needed, fill out and attach to this page as many copies of *Part 2: Additional Page* as necessary. On the top of any additional pages, write your name and case number (if known).

For each item of property you claim as exempt, you must specify the amount of the exemption you claim. One way of doing so is to state a specific dollar amount as exempt. Alternatively, you may claim the full fair market value of the property being exempted up to the amount of any applicable statutory limit. Some exemptions—such as those for health aids, rights to receive certain benefits, and tax-exempt retirement funds—may be unlimited in dollar amount. However, if you claim an exemption of 100% of fair market value under a law that limits the exemption to a particular dollar amount and the value of the property is determined to exceed that amount, your exemption would be limited to the applicable statutory amount.

**Part 1: Identify the Property You Claim as Exempt**

1. Which set of exemptions are you claiming? Check one only, even if your spouse is filing with you.

- ☒ You are claiming state and federal nonbankruptcy exemptions. 11 U.S.C. § 522(b)(3)  
☐ You are claiming federal exemptions. 11 U.S.C. § 522(b)(2)

2. For any property you list on *Schedule A/B* that you claim as exempt, fill in the information below.

| Brief description of the property and line on <i>Schedule A/B</i> that lists this property | Current value of the portion you own<br>Copy the value from <i>Schedule A/B</i> | Amount of the exemption you claim<br>Check only one box for each exemption. | Specific laws that allow exemption |
|--|---|---|------------------------------------|
|--|---|---|------------------------------------|

**Debtor 2 Exemptions**

Brief description:  
Line from *Schedule A/B* \_\_\_\_\_  
☐ \_\_\_\_\_  
☐ 100% of fair market value, up to any applicable statutory limit

3. Are you claiming a homestead exemption of more than \$160,375?

(Subject to adjustment on 4/01/19 and every 3 years after that for cases filed on or after the date of adjustment.)

- ☒ No  
☐ Yes. Did you acquire the property covered by the exemption within 1,215 days before you filed this case?  
☐ No  
☐ Yes

Fill in this information to identify your case:

|   |   |             |           |
|---|---|-------------|-----------|
| Debtor 1                                | <b>Jay L Moffet</b>                                       |             |           |
|   | First Name  | Middle Name | Last Name |
| Debtor 2<br>(Spouse if, filing)         | <b>Max E Kennedy</b>                                      |             |           |
|   | First Name  | Middle Name | Last Name |
| United States Bankruptcy Court for the: | <b>CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION</b> |             |           |
| Case number<br>(if known)               |   |             |           |

☐ Check if this is an amended filing

Official Form 106D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible. If two married people are filing together, both are equally responsible for supplying correct information. If more space is needed, copy the Additional Page, fill it out, number the entries, and attach it to this form. On the top of any additional pages, write your name and case number (if known).

1. Do any creditors have claims secured by your property?

- ☐ No. Check this box and submit this form to the court with your other schedules. You have nothing else to report on this form.
- ☒ Yes. Fill in all of the information below.

Part 1: List All Secured Claims

2. List all secured claims. If a creditor has more than one secured claim, list the creditor separately for each claim. If more than one creditor has a particular claim, list the other creditors in Part 2. As much as possible, list the claims in alphabetical order according to the creditor's name.

2.1 **American Honda Finance**  
Creditor's Name

Describe the property that secures the claim:

**2015 Honda CR-V EX 4dr SUV (2.4L 4cyl CVT)**

Column A

Amount of claim  
Do not deduct the value of collateral.

**\$4,971.00**

Column B

Value of collateral that supports this claim

**\$16,350.00**

Column C

Unsecured portion if any

**\$0.00**

**PO Box 168088**  
**Irving, TX 75016-8088**

Number, Street, City, State & Zip Code

Who owes the debt? Check one.

- ☒ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another
- ☐ Check if this claim relates to a community debt

As of the date you file, the claim is: Check all that apply.

- ☐ Contingent
- ☐ Unliquidated
- ☐ Disputed

Nature of lien. Check all that apply.

- ☐ An agreement you made (such as mortgage or secured car loan)
- ☐ Statutory lien (such as tax lien, mechanic's lien)
- ☐ Judgment lien from a lawsuit
- ☐ Other (including a right to offset)

Date debt was incurred

Last 4 digits of account number **8092**

2.2 **Bank of America, N.A**  
Creditor's Name

Describe the property that secures the claim:

**15300 Palm Dr # 9, Desert Hot Springs, CA 92240-6927**

**\$100,607.00**

**\$90,000.00**

**\$10,607.00**

**4909 Savarese Cir**  
**Tampa, FL 33634-2413**

Number, Street, City, State & Zip Code

Who owes the debt? Check one.

- ☒ Debtor 1 only
- ☐ Debtor 2 only
- ☐ Debtor 1 and Debtor 2 only
- ☐ At least one of the debtors and another
- ☐ Check if this claim relates to a community debt

As of the date you file, the claim is: Check all that apply.

- ☐ Contingent
- ☐ Unliquidated
- ☐ Disputed

Nature of lien. Check all that apply.

- ☐ An agreement you made (such as mortgage or secured car loan)
- ☐ Statutory lien (such as tax lien, mechanic's lien)
- ☐ Judgment lien from a lawsuit
- ☐ Other (including a right to offset)

Date debt was incurred **2007-02**

Last 4 digits of account number **3999**

Debtor 1 **Jay L Moffet** Case number (if know) \_\_\_\_\_  
First Name Middle Name Last Name  
Debtor 2 **Max E Kennedy**  
First Name Middle Name Last Name

Add the dollar value of your entries in Column A on this page. Write that number here:  
If this is the last page of your form, add the dollar value totals from all pages.  
Write that number here:

|                     |
|---------------------|
| <b>\$105,578.00</b> |
| <b>\$105,578.00</b> |

**Part 2: List Others to Be Notified for a Debt That You Already Listed**

Use this page only if you have others to be notified about your bankruptcy for a debt that you already listed in Part 1. For example, if a collection agency is trying to collect from you for a debt you owe to someone else, list the creditor in Part 1, and then list the collection agency here. Similarly, if you have more than one creditor for any of the debts that you listed in Part 1, list the additional creditors here. If you do not have additional persons to be notified for any debts in Part 1, do not fill out or submit this page.

Fill in this information to identify your case:

Debtor 1 **Jay L Moffet**  
First Name Middle Name Last Name

Debtor 2 **Max E Kennedy**  
(Spouse if, filing) First Name Middle Name Last Name

United States Bankruptcy Court for the: **CENTRAL DISTRICT OF CALIFORNIA, RIVERSIDE DIVISION**

Case number \_\_\_\_\_  
(if known)

☐ Check if this is an amended filing

## Official Form 108 Statement of Intention for Individuals Filing Under Chapter 7

12/15

If you are an individual filing under chapter 7, you must fill out this form if:

- ☒ creditors have claims secured by your property, or
- ☒ you have leased personal property and the lease has not expired.

You must file this form with the court within 30 days after you file your bankruptcy petition or by the date set for the meeting of creditors, whichever is earlier, unless the court extends the time for cause. You must also send copies to the creditors and lessors you list on the form

If two married people are filing together in a joint case, both are equally responsible for supplying correct information. Both debtors must sign and date the form.

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write your name and case number (if known).

### Part 1: List Your Creditors Who Have Secured Claims

1. For any creditors that you listed in Part 1 of Schedule D: Creditors Who Have Claims Secured by Property (Official Form 106D), fill in the information below.

| Identify the creditor and the property that is collateral  | What do you intend to do with the property that secures a debt?   | Did you claim the property as exempt on Schedule C?                    |
|--|---|--|
| Creditor's name: <b>American Honda Finance</b>   | <input type="checkbox"/> Surrender the property.<br><input type="checkbox"/> Retain the property and redeem it.<br><input checked="" type="checkbox"/> Retain the property and enter into a <i>Reaffirmation Agreement</i> .<br><input type="checkbox"/> Retain the property and [explain]: _____ | <input checked="" type="checkbox"/> No<br><input type="checkbox"/> Yes |
| Description of property securing debt: <b>2015 Honda CR-V EX 4dr SUV (2.4L 4cyl CVT)</b>           |   |  |
| Creditor's name: <b>Bank of America, N.A</b>   | <input checked="" type="checkbox"/> Surrender the property.<br><input type="checkbox"/> Retain the property and redeem it.<br><input type="checkbox"/> Retain the property and enter into a <i>Reaffirmation Agreement</i> .<br><input type="checkbox"/> Retain the property and [explain]: _____ | <input checked="" type="checkbox"/> No<br><input type="checkbox"/> Yes |
| Description of property securing debt: <b>15300 Palm Dr # 9, Desert Hot Springs, CA 92240-6927</b> |   |  |

### Part 2: List Your Unexpired Personal Property Leases

For any unexpired personal property lease that you listed in Schedule G: Executory Contracts and Unexpired Leases (Official Form 106G), fill in the information below. Do not list real estate leases. Unexpired leases are leases that are still in effect; the lease period has not yet ended. You may assume an unexpired personal property lease if the trustee does not assume it. 11 U.S.C. § 365(p)(2).

| Describe your unexpired personal property leases | Will the lease be assumed? |
|--|----------------------------|
|--|----------------------------|



Debtor 1  
Debtor 2 Moffet, Jay L & Kennedy, Max E Case number (if known) \_\_\_\_\_

Lessor's name: American Honda Finance ☐ No  
☒ Yes

Description of leased Property: Installment account - Honda CRV

**Part 3: Sign Below**

Under penalty of perjury, I declare that I have indicated my intention about any property of my estate that secures a debt and any personal property that is subject to an unexpired lease.

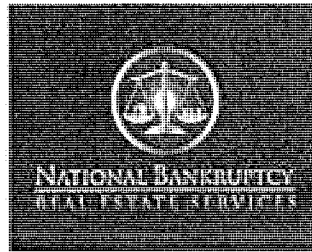
X /s/ Jay L Moffet  
Jay L Moffet  
Signature of Debtor 1

X /s/ Max E Kennedy  
Max E Kennedy  
Signature of Debtor 2

Date January 17, 2017

Date January 17, 2017

**Exhibit 3**  
**Real Estate Contract Submitted to Secured  
Creditor for Approval**



## COVER PAGE

TRUSTEE/SELLER: Charles L. Off

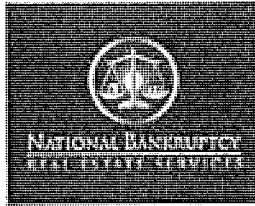
ESTATE (DEBTOR/CASE NUMBER): 17-10361

PROPERTY: 15300 Palm DR. #9, Desert Hot Springs, CA 92240

PURCHASE PRICE: \$85,000.00

TRUSTEE'S FEE: \$15,000.00

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



### INFORMATION ON SALE OF REAL PROPERTY IN BANKRUPTCY

Individual (s) who reside, have a place of business or own property in the United States may file for bankruptcy in a federal court under Chapter 7. In a Chapter 7 Bankruptcy, the individual is allowed to keep certain exempt property. Most liens, however, survive. Other assets are sold by the bankruptcy court trustee to repay creditors. Bankruptcy sales are conducted by a United States Bankruptcy Court trustee for properties that have been owned by debtors who are in Chapter 7 Bankruptcy.

When a property receives an offer that is deemed reasonable by the trustee a court hearing is set with notice to the creditors and a date is set for the hearing, generally, six weeks or so from the initial signing of the offer by the trustee. The initial signing, however, does not constitute mutual acceptance. Mutual acceptance is achieved only after the sale has been approved by a United States Bankruptcy Court judge. The status of the property is changed to Pending Back-up. After court approval the status changes to Pending and the sale can close after 14 days.

Many of these properties originally have equity, but by the time an offer is received the unpaid mortgage with fees and interest combined with lowering property values may make it a short sale. The judge may order that the underling lien holder approve the sale.

Title is with TBD unless otherwise directed by the trustee. The potential buyer can perform an inspection within the time limit of the purchase and sale agreement. If the potential buyer finds the inspection to their satisfaction they may waive the inspection contingency by use of MLS. Other potential buyers may have an inspection of that property; however, if the buyer in 1st position waives their inspection an inspection cannot be a contingency of the potential sale. The same is true for a financing contingency. If any buyer waives the financing contingency any other buyer may obtain financing, but may not have a financing contingency. Timelines for inspection and financing contingencies begin after initial signing. Overbids will take place before or at the hearing on the sale motion in Bankruptcy Court. The overbid terms are in the Agreement Re Conditions of Sale in Bankruptcy and will also be in the Sale Motion.

It is very important that all potential buyers review this information, including the United States Bankruptcy Court purchase and sale agreement, to their satisfaction, prior to making an offer. The statutory trustee release fee is non-negotiable. All potential buyers are encouraged to seek legal advice if they deem it necessary. This page is an explanation of the process of selling property in Chapter 7 Bankruptcy.

Antoine S. Kaufman 09-28-2017  
Buyer Date

\_\_\_\_\_  
Buyer Date

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



### CONTACT INFORMATION FORM

To comply with the US Bankruptcy Court, please fill out the following information or your offer will not be considered.

**1. Subject Property:**

Address: 15300 Palm Dr. #9 Desert Hot Springs, CA 92240 MLS# OC17193229MR

**2. Buyer(s):**

Company: \_\_\_\_\_

Buyer(s)

First: Calvin Middle: \_\_\_\_\_ Last: Schofield

First: \_\_\_\_\_ Middle: \_\_\_\_\_ Last: \_\_\_\_\_

☐ Married ☐ Married as a separate estate ☒ Single

Buyer(s)

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**3. Buyer(s) Lender:**

Company: SANTIGO FINANCIAL

Loan Officer: SARAH BAHL Phone: \_\_\_\_\_

Fax: \_\_\_\_\_ Email: sarah@santiagofinancial.com

**4. Selling Office:**

Company: BERKSHIRE HATHAWAY HOMESERVICE CALIFORNIA MLS office: 43943

Address: 2905 E. Tahquitz Canyon Way

Selling Agent: Victor Yepello MLS ID# 43943

Office phone: 760-660-0010 Direct phone: 760-898-3993

Fax: \_\_\_\_\_ Email: Ron@vicandron.com Office Email: Vic@vicandron.com

**5. Listing Office:**

The Dyson Companies

DigiSign Verified: 1250428D-DAAD-4175-AE17AE4E90CEDD4E



## AGREEMENT RE CONDITIONS OF SALE IN BANKRUPTCY

This Agreement Re Conditions of Sale in Bankruptcy (the "ACSB") is made and entered into as of Sep. 28, 2017 buy and between Calvin Schofield ("Buyer") and Charles Daff solely in her capacity as Chapter 7 Trustee in the Bankruptcy Estate of in re Moffet, Bankruptcy Case No. 17-10361 ("Seller"). Concurrently herewith the parties are entering into the following agreements (1) Residential Purchase Agreement and Joint Escrow Instructions, (2) Addendum No. 1, (3) this ACSB and (4) Trustee Addendum to Agreement Re Conditions of Sale in Bankruptcy (collectively constituting the agreement of the parties and collectively referred to as the "Agreement").

1. **Bankruptcy Court Approval.** The sale is expressly conditioned on approval of the United States Bankruptcy Court for the Central District of California and entry of final order approving this Agreement and related purchase agreements. No representation has been made that such approval will be obtained.
2. **Jurisdiction of the Bankruptcy Court.** Any and all disputes which involve in any manner the Estate or Charles Daff Trustee, arising from the Agreement and any subsequent amendments or modifications thereof or relating in any manner to the Property, shall be resolved only in the United States Bankruptcy Court, Central District of California.
3. **Limitations of Sale.** The parties acknowledge that the operation of the law has placed the Trustee in a unique role as the Seller of the Property. Due to the nature of the Trustee's role in administering the Estate, there are limitations as to the extent, type and character of the terms under which the Trustee can convey the Property. The Trustee proposes to sell Property to certain limitations. The Buyer acknowledges that he/ her /they understand the terms under which the Property is to be conveyed may vary substantially from the normal customs and trade within the real estate industry. Except where expressly mandated by operation of law to the contrary, the Buyer consents to any such modifications and amendments.
4. **Trustee's Liability.** The Buyer acknowledges that the Trustee is acting in her official capacity only. No personal liability shall be sought or enforced against the Trustee with regard to the Agreement, including the Agreement, the assets, the sale of the Property, or the physical condition of the Property. In the event that the Trustee fails or refuses to complete the transaction for any reason, then the limit of the Trustee's liability is only to return any money paid to the Trustee by the Buyer, without deduction and no sale commission, finder's fee or similar payment shall be due to any real estate broker involved in the contemplated transaction. Prior to and after the closing of escrow, the United States Bankruptcy Court shall have and retain the sole and exclusive jurisdiction over the Property and the Agreement; and all disputes arising before and after closing shall be resolved in said Court. Further, the parties have agreed that if a dispute arises, such dispute may initially be resolved through the Mediation Program pending in the United States Bankruptcy Court for the Central District of California.
5. **Hold Harmless:** (a) The Buyer understands the terms and conditions of the entire purchase contract and holds the Estate and the realtors, brokers, agents, Charles Daff, Trustee and her attorneys, agents and employees, harmless from any liabilities arising from this Agreement. (b) All parties hereto further agree, jointly and severally, to pay on demand as well as to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of any kind or nature which in good faith, Escrow may incur or sustain in connection with or arising out of this Escrow and Escrow is hereby given a lien upon all the rights, titles and interest of each of the undersigned in all escrow papers and other property and monies deposited in this

DigiSign Verified: 1250428D-DAAD-4175-AE17-4E4ED9CEDD4E



escrow, to protect the rights of escrow and to indemnify and reimburse Escrow under this Agreement. In the event this Escrow is not completed through fault or default of Buyer, Escrow is authorized to deduct and pay its fee, plus costs incurred from any funds on deposit.

6. **Seller Conditions.** This Agreement is subject to approval by the Bankruptcy Court. The trustee does not always have access to a title report or information with respect to the tax consequences of a sale when a purchase offer is made and accepted. Accordingly, the Agreement is conditioned on: (1) The trustee obtaining an opinion from an accountant that the proposed sale will not result in adverse tax consequences, and (2) if the trustee in his or her sole discretion deems it appropriate, the court authorizing an award to the estate of reasonable fees and expenses pursuant to 11 U.S.C Section 506 (c) if there are liens against the Property.
7. **No representations or Warranties; "As-is", "Where-Is" Condition.** The Seller, as a bankruptcy trustee, has no actual personal knowledge of the Property's conditions. The Buyer acknowledges he/she is purchasing the Property "as-is," "where-is," without warranties of any kind, expressed or implied, being given by the Seller, concerning the condition of the Property or the quality of the title thereto, or any other matters relating to the Property. Seller and Brokers and agents herein have not made, do not make, and specifically negate and disclaim any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, concerning or respecting (i) value of the Property including the dimension, size or acreage of the premises; (ii) income to be derived from the Property; (iii) suitability of the Property, or lack thereof for any activity or use which Buyer may intend to conduct thereon, including any possibilities or limitations for future development; (iv) habitability, merchantability, marketability, profitability, or fitness for a particular purpose, of the Property, or lack thereof; (v) manner, quality, state of repair, or lack of repair of the Property; (vi) nature, quality, or condition of the Property, or any portion, system, or component thereof, including without limitation, water, soil, and geology; (vii) compliance of the Property or its operation, or lack thereof, with any laws, ordinances, regulations, rules, or orders of any applicable governmental authority or body; (viii) manner or quality of engineering, design, construction or materials, if any, incorporated into the Property; (ix) compliance or lack of compliance with any land use, building and safety, or other laws, ordinances, regulations, rules, orders, or other requirements imposed or enforced by any governmental or non-governmental body, including without limitation the Americans with Disabilities Act of 1990; (x) the presence or absence at, on, under, or adjacent to the Property, of materials described as "hazardous substances, hazardous materials, or toxic substances" or by similar terms under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S. Code §§9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S. Code §§1801, et seq.), the Resource Conservation and Recovery Act (42 U.S. Code §§6901, et seq.), the Toxic Substance Control Act (15 U.S. Code §2601, et seq.), the Clean Water Act (33 U.S. Code §1251, et seq.), California Health and Safety Code §25117 or 25316), or other statutes and laws, all as amended and including all regulations issued thereunder; (xi) the content, completeness or accuracy of any Due Diligence materials or Preliminary Report regarding Title to the Property; (xii) the conformity or lack of conformity of the improvements to any plans or specifications for the Property, including any plans and specifications that may have been or may be provided to Buyer; (xiii) the conformity or lack of conformity of the Property to past, current, or future applicable zoning or building requirements; (xiv) any deficiency of any undershoring, drainage, or other aspects, systems, or components of or affecting the Property; (xv) the fact, if applicable, that all or a portion of the Property may be located on or near any natural hazard zone as determined by any governmental agency or body; (xvi) the existence of vested land use, zoning, or building entitlements affecting the Property or any other property; or (xvii) any other matter. Without in any manner limiting the foregoing, Buyer

DigiSign Verified: 1250428D-DAAD-4175-AE17-4E4E90CED04E



hereby acknowledges and agrees that (i) Seller's Broker, has provided (and will hereafter provide) to Buyer various materials and information relating to the Property, including, without limitation, information and materials relating to the condition of the Property, and (ii) all such materials and information so provided to Buyer by Seller's Broker shall, for all purposes of this Agreement, be deemed to have been disclosed to Buyer by the Seller, as well.

8. **Personal Property Matters:** The Seller is unable to remove any debris or personal property left on the Property and does not warrant that there will be any appliances left on the Property.
9. **Buyer Relying Solely on Investigation:** The Buyer represents and warrants that he is purchasing the Property as a result of his own investigations and is not buying the Property pursuant to any representation made by any broker, agent, accountant, attorney or employee acting at the direction, or on the behalf of the Seller.
10. **Buyer Contingency and Removal:** The Buyer shall have 10 calendar days from acceptance to release all Buyer contingencies. Buyer shall, if VA financing is not available, accept available conforming/conventional financing terms including increasing their down payment accordingly. Upon release of all Buyer's contingencies, the Buyer acknowledges that the Buyer has inspected the Property, and upon closing of Escrow governed by this Agreement, the Buyer forever waives, for himself, his heirs, successors and assigns, all claims against the Debtor, his/her attorneys, agents and employees, the Estate *Charles D. [Signature]* Trustee and individually, and her attorneys, agents and employees, arising or which might otherwise arise in the future concerning the Property.

Buyer's deposit to be released to the Trustee after the initial inspection period is completed, once the contingencies are removed.

11. **Inspections.** The Buyer has ten (10) days from the date of the Trustee as Seller signs the documents constitute this Agreement ("Initial Signing") to inspect the premises. Unless the Buyer provides Seller with written notice within ten (10) days that the Property is not acceptable; then the inspection requirement shall be deemed to be waived on the close of business ten (10) days from Initial Signing. Notwithstanding the foregoing, if the financing institution requires an additional inspection, Seller agrees to permit such inspection. Whether or not the sale is closed the Buyer will pay all costs and fees associated with such inspections and Seller shall have no liability therefore. Buyer will return the Property to its original condition after said inspection or test. It is the responsibility of the Buyer and/or the selling agent to verify and contact the utility companies in order to turn on the utilities for inspection. Buyer is responsible for hiring and paying for septic inspector and to acquire and pay for any and all certificates in the event that septic inspections are required. The Buyer will hold the Seller, brokers and attorneys harmless from all claims arising out of Buyer(s) inspection or testing of the Property.
12. **Hazardous Waste.** The Seller, as a bankruptcy trustee, has no actual personal knowledge of the presence of any hazardous waste on the Property, including, but not limited to, petroleum products, urea-formaldehyde, lead paint, mold, asbestos, drug manufacturing, etc., et al., and has no actual personal knowledge of the violation of any law, environmental law, regulation or ordinance with respect to the Property. Buyer understands and agrees that any knowledge about the condition of the Property of other parties including the trustees' real estate broker, debtor, the debtors' employees and agents, or any other persons or entities shall not be imputed to the trustee or the estate. Buyer hereby assumes all risk and costs related to the presence of hazardous waste and the environmental condition of the Property. Buyer hereby waives any and all rights of contribution, indemnity and/or reimbursement

*CS*



DigiSign Verified: 1250428D-DAAD-4175-AE17-4E4EB9CEDD4E



with respect to any and all defects, including but not limited to, hazardous waste, abatement and environmental condition.

13. **Down Payment/Loan Application.** Buyer agrees to pay \$2,550.00 down and to make an application, in good faith, within seven (7) days after Initial Signing of this Agreement, for a market rate loan to pay the balance of the purchase price. Buyers are required to obtain and submit with this offer a prequalification letter with SANTIAGO FINANCIAL INC. If application is not made within seven (7) days of Initial Signing, Seller may retain the earnest money and this Agreement shall terminate.
14. **Financing Deadline/Seller Termination Notice.** If Buyer has not within 30 days after Initial Signing of this Agreement either (i) provided a Loan Commitment letter or (ii) waived the financing condition, then this Agreement shall terminate upon the expiration of the 30th day after Initial Signing and the Seller may retain the earnest money. The loan commitment may be subject to final appraisal review, which must be ordered within 3 days of receipt of underlying lien holder approval.
15. **Buyer's Funds to Close.** Buyer represents that the Buyer has sufficient funds to close this sale in accordance with this Agreement, and is not relying on any contingent source of funds or gifts unless expressly set forth elsewhere in this Agreement. Buyer agrees to provide proof of funds for down payment, closing cost and trustee's fee along with pre-qualification letter with this offer. Buyers are required to obtain a prequalification letter with SANTIAGO FINANCIAL INC.
16. **Loan Costs.** Seller will not be responsible for, or credit any loan costs except such portion of the Buyers cost that the Buyer is prohibited from paying pursuant to applicable FHA regulations.
17. **Escrow Holder and Closing.** The escrow holder shall be Seller's choice. Escrow is scheduled to close the later of 30 days after lender approval or 14 days after the Bankruptcy Court's approval of the sale. The Trustee may extend this time under her sole discretion.
18. **No Assignment.** The Agreement is between the Buyer and the Trustee. The Buyer shall have no right to assign the Escrow, the Agreement, or transfer the Property concurrent with closing without consent of the Seller. Real estate brokers join in the Agreement to bind themselves to provisions applicable to real estate brokers.
19. **Closing Costs and Pro-ration.** Buyer shall pay or cause to be paid the Escrow fee. In the event that the Buyer's lender will only pay for or advance as part of the loan a portion of the Seller's escrow fee, it will be the responsibility of the Buyer to pay for any shortages. Property taxes for the current year shall be pro-rated. Buyer shall pay for any remaining fuel or oil in the propane/oil tank, if applicable. Buyer shall be liable for any outstanding pre-closing utility bills, delinquent HOA dues, Sub-escrow fees and escrow shortages of any kind, if any.
20. **Other Costs.** The Buyer shall be responsible for County and City transfer taxes or transfer fees. The Buyer will obtain a Natural Hazards Disclosure Report from Property ID of California. Buyer understands that the Seller is, however, exempt from signing the Natural Hazards Disclosure Report.
21. **Closing.** "Closing" means the date on which all documents are recorded and the sales proceeds are available to the

CS



Seller. Seller does not agree to clean the interiors or exteriors of any structures. The sale is "as is, where is" as stated above.

22. **Earnest Money Forfeiture.** In the event the Buyer fails, without legal excuse, to complete the purchase of the Property, the earnest money deposit made by the Buyer shall be forfeited to the Seller as the sole and exclusive remedy available to the Seller for such failure. If the earnest money deposit is greater than five (5) percent of the purchase price, only that portion of the earnest money deposit equal to five (5) percent of the purchase price shall be forfeited to the Seller. By their initials below, Buyer and Seller specifically acknowledge that they have read the preceding provision regarding forfeiture or the earnest money and agree to it.

Buyer (s) Initials CS \_\_\_\_\_

Seller Initial CS

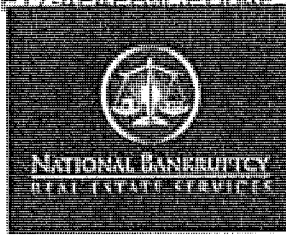
23. **Title Transfer.** Title shall be transferred by the bankruptcy trustee's quit claim deed.
24. **Possession.** Seller will use her commercially reasonable effort to deliver possession of the Property. However, if she cannot deliver possession by the later of 30 days after Bankruptcy Court Approval of the sale or 45 days after lender approval of short pay (or as extended by the parties), the Buyer may terminate the Agreement and receive his or her earnest money deposit but will have no other claims against the Seller.
25. **Disclosure Statement.** The Seller is a bankruptcy estate acting through its duly appointed trustee and therefore exempt from providing a real property transfer disclosure statement and therefore no such statement will be provided.
26. **Title Insurance.** The title insurance policy shall be subject only to liens, encumbrances, clouds and other matters as may appear on the preliminary title report, that are not to be removed at the close of Escrow, and have not been objected to by the Buyer. Should Seller be unwilling or unable to eliminate those title matters disapproved by the Buyer as above, the Seller may terminate the Agreement or; should Seller fail to deliver title as provided above, Seller and the Buyer may terminate the Agreement. In either case, the Buyer's deposit shall be returned to the Buyer, and the Buyer shall have no recourse against Seller or Charles Bastian duly appointed Bankruptcy Trustee or individually, or the law firm of Shulman Hodges & Bastian LLP, the Estate or the Debtor, or any real estate agent, broker or attorney involved in the transaction. No real estate commission or finder's fee shall be payable to any broker in such event.

Buyer shall pay or cause to be paid all costs of Title Insurance. In the event that the Buyer's lender will only pay for or advance as part of the loan a portion of the costs of Title Insurance, it will be the responsibility of the Buyer to pay for any shortages. The title insurance company will be selected by Seller in her sole discretion. .

27. **Sale Information.** After Initial Signing by the Seller, listing broker is authorized to report this Agreement to the Multiple Listing Associations, and to change the status from Active to Pending-Back-Up or Pending- Short Sale, or such other applicable listing association and anyone else related to the sale. Buyer and Seller authorize all lenders, closing agents, appraiser, title insurance companies and other parties related to the sale, to furnish the listing and/or selling brokers, on request, any and all information, and copies of documents concerning the status, progress and

CS

DigiSign Verified: 1250428D-DAAD-4175-AE17-4E4EB0CED04E



final disposition of financing, appraisal, closing, title condition, and any other matter concerning this sale, including Buyer's credit report and or proof of funds. After court approval the status is changed to Pending and no other offers can be accepted.

- 28. Sale Subject to Overbidding.** The sale of the Property is subject to the bidding procedures before the hearing or at the hearing on the motion for sale, at the sole discretion of the Trustee. The general overbid procedures are discussed further in paragraphs 29, and 30. **BUYER ACKNOWLEDGES THAT THE OVERBIDDING PROCEDURES MAY RESULT IN THE PROPERTY BEING SOLD TO A THIRD PARTY, IN WHICH EVENT BUYER'S DEPOSIT WILL BE REFUNDED TO BUYER AS BUYER'S SOLE AND EXCLUSIVE PAYMENT. ANY OTHER COSTS OR EXPENSES INCURRED BY BUYER IN ASSOCIATION WITH THE CONTEMPLATED PURCHASE OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, LOAN APPLICATION FEES, APPRAISAL FEES, INSPECTION FEES AND TITLE INSURANCE COSTS WILL NOT BE REIMBURSED AND REMAIN SOLELY BUYER'S EXPENSES. THE BUYER HAS ACKNOWLEDGED THIS BY INITIALING BELOW.**

Buyer (s) Initials DS

Seller Initial CD

- 29. Subsequent Offers.** All purchase agreements are subject to approval and order of the U.S. Bankruptcy Court, and there cannot be mutual acceptance until final approval by the Bankruptcy Court. The Seller will apply to the Bankruptcy Court for approval of the sale set forth herein as soon as reasonably practicable. The Bankruptcy Court hearing will generally take place within six to eight weeks of Initial Signing. Mutual acceptance occurs upon final approval by the Bankruptcy Court. Further, if the trustee receives a better offer on the Property prior to or at the Bankruptcy Court hearing, the trustee may accept such offer contingent upon approval of the Bankruptcy Court and request that the court accept the better offer. This clause is an explanation of the law and removal of this clause from this Agreement will not change the law. The trustee agrees, however, to follow the procedure set forth in the next paragraph allowing for Buyer to attempt to match a competing offer. **BUYER REPRESENTS AND WARRANTS THAT NEITHER SELLER NOR ANY PARTY REPRESENTING SELLER HAS TOLD BUYER THAT THE BANKRUPTCY COURT WILL APPROVE THIS CONTEMPLATED SALE OR THAT THERE WILL BE OR SHOULD BE NO THIRD PARTY BIDDING OR BETTER OFFER.**
- 30. Competing Bids.** If Seller, subject to court approval, hereby agrees that the Buyer may match the proposed purchase price and terms of any third party offer. In order to bring this paragraph into effect, Buyer must notify the Seller of their intent to match the third party's offer within 24 hours of receipt from the Seller of notice of the third party's offer. The Seller's notice shall be in writing and state that the Buyer needs to meet or exceed the third party's price and other terms. This ability of Buyer to match other offers shall not apply during an auction of the Property. Buyer shall be required to comply with the bidding procedures established for such auction. If a written offer is received within 3 business days of the court hearing date, the court may have the proposed purchasers submit their last, highest and best offers at the hearing to approve the sale.
- 31. Feasibility Study.** If the Purchase Contract is subject to a feasibility study and the sale does not close because of any contingency which the Buyer does not waive, then prior to returning any earnest money or promissory note the Buyer shall provide the Seller a copy of every study, report, analysis or appraisal regarding the Property.
- 32. Real Estate Agent Commission.** Through escrow on the sale of the Property, and subject to Bankruptcy Court approval, the Trustee shall pay compensation for real estate agent services to the Buyer's agent and the Estate's

DigiSign Verified: 1250428D-DAAD-4175-AE17-4E4ED90CED04E




agent. The maximum total commission allowed is six percent (6%) of the gross selling price. *IF COMMISSION IS REDUCED BY COURT ORDER OR LENDER, THEN LISTING AND SELLING BROKERS HEREBY AGREE TO REDUCE THEIR COMMISSIONS ACCORDINGLY.*

- 33. Attorneys' Fees.** In the event that either party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Agreement, the prevailing party in that action or proceeding shall be entitled to have and recover from the non-prevailing party all such fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing party may suffer or incur in the pursuit or defense of such action or proceeding.
- 34. Termite Report/Repairs, Misc Repairs and Home Warranty.** The Buyer has agreed to waive the requirements and costs for a termite report and any repairs. The Buyer shall comply with any and all minimum mandatory government retrofit requirements. The Buyer will provide, if required by local law, a septic inspection and/or certificate. The Buyer will provide and pay for their own one year home warranty plan.
- 35. Lead Paint.** Many used homes, especially those constructed before 1978, contain lead based paint. Lead paint is poisonous, especially for children. The Seller has no knowledge with respect to the presence or absence of lead paint in the Property. The Buyer shall undertake such investigation as he or she deems prudent in the circumstances. The Buyer shall conduct an initial inspection for the presence of lead base paint within seven (7) day time frame set forth in paragraph 7 herein. However, provided that the Buyer obtains specimens for analysis with the original inspection period and delivers them to a laboratory, upon written notice to the Seller within the original seven (7) day period, the Buyer may have an additional ten (10) days to obtain the results of a laboratory analysis for the presence of lead. If the Buyer does not obtain such laboratory samples, deliver them to laboratory and provide the Seller with notice within seven (7) days of Initial Signing, this contingency will be deemed waived on the close of business seven (7) days from Initial Signing. Unless the Buyer notifies the Seller within such additional ten (10) day period that the Property is not acceptable due to the presence of an unsafe level of lead paint, then this contingency will be deemed waived.
- 36. Signs, Lockboxes, Keys and Occupancy.** Signs and lockboxes will typically be removed within 7 days after closing. If they are not removed within 7 days, please notify the Listing Brokerage. Do not remove them. If anything is lost or stolen, the Buyer's agent agrees to reimburse the Listing Brokerage for the cost of such items. If the Buyer needs to remove the doorknob to rekey, the Buyer is to leave the lockbox and sign beside the front door. Buyer's agent acknowledges that the Buyer has no right to move into the Property until escrow has closed. Buyer's agent shall not facilitate any such move in before closing. The Buyer shall not occupy the Property or move personal items into the Property, for any reason prior to notification from the escrow company that the Trustees Deed has been recorded. Any early occupancy by the Buyer will cause for immediate termination of escrow, at the Seller's unilateral discretion and loss of the Buyer's deposit, along with any civil charges, if necessary. The Buyer may approach the Seller to lease the property in advance of the closing. Any such lease will require prior court approval and will be documented by a written month to month lease agreement. Request for a lease before closing must be given to the listing agent directly. Buyer is advised to re-key Property immediately upon closing due to the possibility of other people having copies of keys. Seller expressly disclaims any express or implied representation or warranty that all keys have been delivered to Buyer.

DigiSign Verified: 1250428D-DAAD-4175-AE17-4E4EB9CCE004E



37. **Personal Property.** The Seller is a bankruptcy trustee and has no knowledge of whether or not there is any leased personal property on the premises. It shall be up to the Buyer to make an appropriate investigation to determine whether or not there is any leased property on the premises which in any case is not be included in the sale. The debtor(s) (i.e. the party or parties who filed bankruptcy) may claim personal property on the premises, such as, but not limited to, non built-in appliances, drapes, curtains, etc., as exempt property until the Property is transferred to Buyer. Any such personal property claimed by the debtors is not included in the sale.
38. **Right of Agency:** Buyer, Buyer's Agent, and any other representative of the Buyer will only contact the Listing Broker or Representative for the Listing Broker of the property. Any attempt to directly contact the Seller/Trustee or the staff of the Seller/Trustee will not be tolerated. If any representative of the Buyer contacts the Seller/Trustee or staff directly, the result will be an immediate cancellation of escrow at the sole and unilateral discretion of the Seller/Trustee, with the Buyer's earnest money deposit forfeited, and the Department of Real Estate notified regarding the breach in agency law.
39. **Priority of Documents:** This Agreement is made pursuant to the following documents: (1) Residential Purchase Agreement and Joint Escrow Instructions, (2) Addendum No. 1, (3) this ACSB and (4) Trustee Addendum to Agreement Re Conditions of Sale in Bankruptcy. Whenever possible, each provision of each document shall be interpreted in such a manner as to be consistent with all other documents; however in the event of a conflict among the document the documents shall control in the following order:
1. Trustee Addendum to Agreement Re Conditions of Sale in Bankruptcy;
  2. This ACSB;
  3. Addendum No.1; and
  4. Residential Purchase Agreement and Joint Escrow Instructions.
40. **NO VERBAL AGREEMENTS OR REPRESENTATIONS: BUYER ACKNOWLEDGES THAT THERE ARE NO VERBAL AGREEMENTS OR REPRESENTATIONS. BUYER IS RELYING SOLELY UPON THIS AGREEMENT. BUYER HEREBY STATES THAT BUYER HAS READ EACH DOCUMENT CONSTITUTING THIS AGREEMENT AND UNDERSTANDS EACH DOCUMENT. NOTHING HAS BEEN VERBALLY STATED TO OR OTHERWISE CONVEYED TO BUYER WHICH IS CONTRARY TO THE TERMS OF THIS AGREEMENT.**

SELLER: Charles Duff   
solely in his capacity as  
Chapter 7 Trustee for in re \_\_\_\_\_  
and not in her individual capacity

DATE: 10/6/17

BUYER Robert Schaefer

DATE 09-28-2017

BUYER \_\_\_\_\_

DATE \_\_\_\_\_

The Real Estate Brokers executing this ACSB do so to acknowledge that they are bound by the terms of the Agreement applicable to them.

DigiSign Verified: 1250428D-DAAD-4175-AE17-4E4EB9CED04E



SELLERS BROKER:

By: Deborah Riebe  
Its: Deborah Riebe

DATE \_\_\_\_\_

BUYER'S BROKER

VICTOR YEPELLO

By: Victor Yepello  
Its: Victor Yepello

DATE 09-28-2017

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



**TRUSTEE ADDENDUM TO AGREEMENT RE CONDITIONS OF SALE IN BANKRUPTCY**

The following is part of the purchase and sale agreement detailed: \_\_\_\_\_

between CALVIN SCHOFIELD

BUYER(S)

and Charles Doff, Chapter 7 Bankruptcy Trustee for Jay Moffet  
Max Kennedy Case No. # 17-10361 SELLER

Concerning: 15300 PALM DR. #9, DESERT HOT SPRINGS, CA. 92240 (the "Property")

IT IS AGREED BETWEEN THE BUYER AND SELLER AS FOLLOWS:

BUYER AGREES TO PAY THE STATUTORY BANKRUPTCY ESTATE FEE. THIS FEE IS TO BE PAID IN FULL AT CLOSING. THIS FEE CANNOT BE ROLLED INTO THE BUYERS LOAN. SEE EXHIBIT "B" FOR FEE SCHEDULE.

BUYER AGREES THAT IF COMMISSIONS ARE REDUCED BY EITHER A COURT ORDER OR A LENDER THE RESULTING COMMISSIONS ARE TO BE EVENLY DIVIDED BETWEEN THE LISTING AGENT AND THE SELLING AGENT.

Selling Agent Victor yepello

Buyer(s) Initials JS

Seller Initials \_\_\_\_\_

**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

### Trustee Fee Calculations

Purchase Price Range: ✓  
\$50,000 - 235,000 = \$15,000 Fee  
\$240,000 - \$1,000,000 = 5% + 3250.00  
\$1,000,001 and higher = 3% + 25,750



| Value   | Fee    |
|---------|--------|
| 240,000 | 15,250 |
| 245,000 | 15,500 |
| 250,000 | 15,750 |
| 255,000 | 16,000 |
| 260,000 | 16,250 |
| 265,000 | 16,500 |
| 270,000 | 16,750 |
| 275,000 | 17,000 |
| 280,000 | 17,250 |
| 285,000 | 17,500 |
| 290,000 | 17,750 |
| 295,000 | 18,000 |
| 300,000 | 18,250 |
| 305,000 | 18,500 |
| 310,000 | 18,750 |
| 315,000 | 19,000 |
| 320,000 | 19,250 |
| 325,000 | 19,500 |
| 330,000 | 19,750 |
| 335,000 | 20,000 |
| 340,000 | 20,250 |
| 345,000 | 20,500 |
| 350,000 | 20,750 |
| 355,000 | 21,000 |
| 360,000 | 21,250 |
| 365,000 | 21,500 |
| 370,000 | 21,750 |
| 375,000 | 22,000 |
| 380,000 | 22,250 |
| 385,000 | 22,500 |
| 390,000 | 22,750 |
| 395,000 | 23,000 |
| 400,000 | 23,250 |
| 405,000 | 23,500 |
| 410,000 | 23,750 |
| 415,000 | 24,000 |
| 420,000 | 24,250 |
| 425,000 | 24,500 |
| 430,000 | 24,750 |
| 435,000 | 25,000 |
| 440,000 | 25,250 |
| 445,000 | 25,500 |
| 450,000 | 25,750 |
| 455,000 | 26,000 |
| 460,000 | 26,250 |
| 465,000 | 26,500 |
| 470,000 | 26,750 |
| 475,000 | 27,000 |
| 480,000 | 27,250 |
| 485,000 | 27,500 |
| 490,000 | 27,750 |
| 495,000 | 28,000 |
| 500,000 | 28,250 |
| 505,000 | 28,500 |
| 510,000 | 28,750 |
| 515,000 | 29,000 |
| 520,000 | 29,250 |
| 525,000 | 29,500 |
| 530,000 | 29,750 |
| 535,000 | 30,000 |
| 540,000 | 30,250 |
| 545,000 | 30,500 |
| 550,000 | 30,750 |
| 555,000 | 31,000 |
| 560,000 | 31,250 |
| 565,000 | 31,500 |
| 570,000 | 31,750 |
| 575,000 | 32,000 |
| 580,000 | 32,250 |
| 585,000 | 32,500 |
| 590,000 | 32,750 |
| 595,000 | 33,000 |
| 600,000 | 33,250 |
| 605,000 | 33,500 |
| 610,000 | 33,750 |
| 615,000 | 34,000 |
| 620,000 | 34,250 |

| Value     | Fee    |
|-----------|--------|
| 625,000   | 34,500 |
| 630,000   | 34,750 |
| 635,000   | 35,000 |
| 640,000   | 35,250 |
| 645,000   | 35,500 |
| 650,000   | 35,750 |
| 655,000   | 36,000 |
| 660,000   | 36,250 |
| 665,000   | 36,500 |
| 670,000   | 36,750 |
| 675,000   | 37,000 |
| 680,000   | 37,250 |
| 685,000   | 37,500 |
| 690,000   | 37,750 |
| 695,000   | 38,000 |
| 700,000   | 38,250 |
| 705,000   | 38,500 |
| 710,000   | 38,750 |
| 715,000   | 39,000 |
| 720,000   | 39,250 |
| 725,000   | 39,500 |
| 730,000   | 39,750 |
| 735,000   | 40,000 |
| 740,000   | 40,250 |
| 745,000   | 40,500 |
| 750,000   | 40,750 |
| 755,000   | 41,000 |
| 760,000   | 41,250 |
| 765,000   | 41,500 |
| 770,000   | 41,750 |
| 775,000   | 42,000 |
| 780,000   | 42,250 |
| 785,000   | 42,500 |
| 790,000   | 42,750 |
| 795,000   | 43,000 |
| 800,000   | 43,250 |
| 805,000   | 43,500 |
| 810,000   | 43,750 |
| 815,000   | 44,000 |
| 820,000   | 44,250 |
| 825,000   | 44,500 |
| 830,000   | 44,750 |
| 835,000   | 45,000 |
| 840,000   | 45,250 |
| 845,000   | 45,500 |
| 850,000   | 45,750 |
| 855,000   | 46,000 |
| 860,000   | 46,250 |
| 865,000   | 46,500 |
| 870,000   | 46,750 |
| 875,000   | 47,000 |
| 880,000   | 47,250 |
| 885,000   | 47,500 |
| 890,000   | 47,750 |
| 895,000   | 48,000 |
| 900,000   | 48,250 |
| 905,000   | 48,500 |
| 910,000   | 48,750 |
| 915,000   | 49,000 |
| 920,000   | 49,250 |
| 925,000   | 49,500 |
| 930,000   | 49,750 |
| 935,000   | 50,000 |
| 940,000   | 50,250 |
| 945,000   | 50,500 |
| 950,000   | 50,750 |
| 955,000   | 51,000 |
| 960,000   | 51,250 |
| 965,000   | 51,500 |
| 970,000   | 51,750 |
| 975,000   | 52,000 |
| 980,000   | 52,250 |
| 985,000   | 52,500 |
| 990,000   | 52,750 |
| 995,000   | 53,000 |
| 1,000,000 | 53,250 |

### EXHIBIT "B"

TRUSTEE: Charles Daff  
Case# 17-10361

Buyer(s) Name:  
CALVIN SCHOFIELD

Purchase Price: \$85,000.00

Fee: \$15,000.00

Acknowledge by Circling agreed fee to the left and  
sign.

Signatures: Calvin Schofield  
BUYER(S)  
Calvin Schofield

BUYER(S)

SELLER Charles Daff, Trustee 10/6/17



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**SHORT SALE INFORMATION AND ADVISORY**  
(C.A.R. Form SSIA, Revised 11/12)

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

This Short Sale Information and Advisory is intended to give general information regarding short sales, their potential impact, and the rights and responsibilities of the parties involved. It is not intended as legal advice for any particular property owner or buyer. Seller and Buyer should consult with their own professional advisors for legal, tax, credit and personal advice. Real estate brokers cannot and will not provide such advice.

1. **WHAT IS A SHORT SALE:** A short sale is the name used to describe a real estate transaction where the seller's lender(s) agree to allow the property owner to sell the property for less than the amount of the loan(s) secured by the property. The consent of a seller's lender(s) is necessary because without it there would not be enough money from the sale to pay off the lender(s) in full and to pay other costs of the sale. As a result, the lender's lien(s) would remain on title, and a seller would be unable to transfer title to a buyer free of monetary liens. (Properties that are worth less than the amount owed to the secured lender(s) are often referred to as being "underwater" or distressed properties).
2. **ALTERNATIVES TO A SHORT SALE:** Owners of distressed or underwater properties are faced with difficult choices that could have financial and emotional consequences. Any of the following or other alternatives potentially have negative tax or credit consequences, or both, for the owner:
  - A. A **loan modification** is an arrangement between a borrower and a lender. It can involve a reduction in the interest rate on the loan, a deferment in payments on the loan, an extension of time to pay back the loan, a reduction in principal of the loan, a combination of these possibilities, or other changes to the repayment plan. A loan modification requires the consent of both lender and borrower.
  - B. A **foreclosure** is a legal process through which the lender acquires title to the property from a borrower who has stopped making payments on a loan. The lender can foreclose whether or not the borrower consents.
  - C. A **deed in lieu of foreclosure** occurs when the borrower offers to transfer the property to the lender, in lieu of the lender having to go through the foreclosure process, and the lender agrees to accept title to the property from the borrower and forgives the debt. A deed in lieu of foreclosure requires the consent of both lender and borrower.
  - D. **Bankruptcy** is a legal action typically filed by a borrower to have debt(s) discharged. An automatic stay occurs as soon as a borrower files bankruptcy, staying all actions against the borrower. While a petition for bankruptcy can have the effect of delaying a foreclosure, it does not necessarily prevent a foreclosure from eventually occurring. No lender consent is required for a borrower to file bankruptcy.
3. **LENDER AGREEMENT TO SHORT SALE:** In order for a short sale to be completed, the lender(s), at a minimum, must agree to release the property from the lender(s) lien(s) to allow the sale. The lender(s) may or may not agree to reduce the amount owed to satisfy the debt. If not, the lender(s) may continue to pursue the borrower for payment of the balance of the debt. Prior to granting approval of the sale, the lender(s) may require the borrower to disclose all of the borrower's assets. They may require that the borrower liquidate other assets. They may require that the borrower sign an agreement to repay some or all of the debt at some later time. They may require that the borrower secure the unpaid debt with other assets owned by the borrower. Additionally, they will generally require that the transaction be arm's length, and that all terms of any benefit conferred on the seller be fully disclosed and that a seller cannot stay in the property following the sale. Finally, many first lien holders will limit the amount they will allow to be paid to a second lienholder, further complicating negotiations for the short sale. The lender will usually submit a "term sheet" to the borrower indicating the terms to which lender(s) will agree. If a seller and a buyer do not modify their contract to comply with the lender(s) terms, the lender(s) may not permit the short sale to proceed. Seller's are strongly advised to seek legal and tax advice regarding review of the term sheet. Brokers cannot and will not give legal or tax advice on the lender's term sheet or its effect on the Buyer and Seller's agreement or on the consequences to sellers and buyers should they proceed to close. There is no assurance that once the lender(s) have begun short sale negotiations, they will discontinue the foreclosure process.
4. **SELLER'S CONTINUING LIABILITY ON THE DEBT:** Many borrowers who attempt a short sale are concerned about whether the borrower is released from any further liability to the lender(s) or whether the lender can pursue the borrower for any unpaid balance of the debt. Some refer to continuing liability as a deficiency judgement. Generally speaking, a deficiency judgement is the right of a lender to pursue the borrower for the difference between the amount the lender receives and the amount the borrower owes on the debt. Deficiency judgements in California are prohibited in certain circumstances.

Buyer's Initials ( CS ) ( \_\_\_\_\_ )

Seller's Initials ( CS ) ( \_\_\_\_\_ )

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 2010-2012, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

SSIA REVISED 11/12 (PAGE 1 OF 4)

**SHORT SALE INFORMATION AND ADVISORY (SSIA PAGE 1 OF 4)**

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



Berkshire Hathaway HomeServices, 2905 Tahquitz Canyon Way Palm Springs, CA 92262  
Victor Vepilo

Phone: 760.660.0010 Fax: 760.308.6776 15300 Palm Dr., #9  
Produced with zipForm® by ZipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr. , Desert Hot Springs, CA 92240

Date: September 28, 2017

**A. Short Sale:**

1. Beginning July 15, 2011, Code of Civil Procedure 580e provides that any lender who approves a short sale in writing is not permitted to seek or collect a deficiency against the borrower if the loan is secured by a Trust Deed on residential property containing 1-4 units. This law may not be waived. The July 15, 2011 law does not apply to: (i) lienholders on other types of property; or (ii) a borrower who has committed fraud or waste; or (iii) borrowers who are corporations, limited liability companies, or limited partnerships. Prior to this law coming into effect, from January 1, 2011 the restriction on lenders seeking deficiencies for approved short sales only applied to lenders holding a first trust deed on residential 1-4 units.
2. For properties or borrowers to which CCP 580e does not apply, some lenders in negotiating a short sale will want the owner to sign a note for the balance of the unpaid principal. Other lenders will release the lien only, but not forgive the underlying debt. Some lenders will "reserve their rights." Thus, in these situations whether or not a lender retains the right to pursue a deficiency following a short sale becomes a negotiable term for each sale.
3. Seller is encouraged to (i) obtain a written agreement from lender(s) or other applicable lien holders addressing whether and to what extent Seller will be released from any monetary or other claim, obligation, or liability upon approval of the short sale, and (ii) have that written agreement reviewed by an attorney, CPA or other appropriate professional of seller's choosing.

**B. Foreclosure**

1. **Purchase Money Loans:** Loans given by lenders to purchase 1-4 unit properties, one of which will be occupied by the borrower, and seller-financed purchases are subject to "purchase money" anti-deficiency protection rules. Generally, this means that the lender cannot pursue the borrower for any deficiency after the property is foreclosed upon by the seller or lender, whether the seller or lender uses a non-judicial trustee sale or a judicial foreclosure. Refinancing a purchase money loan causes it to lose any purchase money protection it might have.
2. **Trustee Sales:** If a lender forecloses by non-judicial trustee sale instead of by judicial foreclosure, that lender is barred from seeking any deficiency from the borrower after the trustee sale, even if the loan was not purchase money.
3. **Refinanced Liens:** The anti-deficiency protections become much less clear for loans that are refinanced. Generally, loans that are refinanced lose their "purchase money" protection. Lenders extending refinances may be able to pursue a deficiency judgment against the borrower directly following a judicial foreclosure. However, beginning January 1, 2013 Borrowers who refinance a purchase money loan on owner-occupied residential property with 1-4 units, and do not take any cash out from the refinance receive the same anti-deficiency protection as if the refinance loan was a purchase money loan.
4. **Junior Liens:** The anti-deficiency protections for Junior Lien holders are also somewhat unclear. Junior debt used to purchase the residence (such as 90/10 first and second) would have "purchase money" protection generally. However, junior liens that are refinanced or junior liens that are used to take out equity do not have "purchase money" protection. Such "non purchase money" junior lienholders may be able to pursue a deficiency judgement against the borrower directly after a Trustee's sale by a senior lienholder or after a judicial foreclosure by the junior lienholder. Although the law is not entirely clear, home equity loans (HELOCs) may fall into this category.
5. **Other Liens:** Many other types of liens may be recorded on titles including, without limitation, homeowners association liens, judgement liens, tax liens, and child support liens. Generally foreclosures by any lienholders senior to such liens do not protect the owner of the property from later legal action by the lienholder to collect on the obligation.

**5. CREDIT AND TAX CONSEQUENCES:**

- A. CREDIT:** All of the owner's options discussed above will most likely have a negative impact on the owner's credit and on the owner's ability to finance or purchase property for some time. The credit impact and length of time the owner would have difficulty in obtaining a loan to purchase property again, or to be approved for any other credit transactions such as obtaining a credit card, leasing an apartment, or even to gain employment, varies. Lenders may view short sales and alternatives differently depending on their own underwriting guidelines and those established by governmental or quasi-governmental bodies. To find out more information about the impact to your credit score, go to [www.myfico.com](http://www.myfico.com).
- B. TAX:** With some exceptions, a reduction or discharge of a debt obligation by a lender results in income to the borrower. The income might not be taxable if the debt was being used to acquire, construct or substantially improve a borrower's principal residence. Another exception exists if the forgiveness of debt results from a situation where the lender is barred by law from collecting the debt, as in a foreclosure of purchase money debt. Insolvency and bankruptcy rules can also shield a borrower from forgiveness of debt income. Generally, when any debt is forgiven by a lender, they are required to provide the borrower a 1099 and it will be up to the borrower to make the proper claim on their tax return to avoid debt forgiveness income. Some of these rules are temporary, and state laws and federal laws differ. Broker has advised Seller that if Lender agrees to accept less than full payment, the difference may result in taxable income to Seller even though Seller does not receive any cash proceeds from the sale. Seller may also be taxed on the gain in value of the Property from the date of Seller's purchase to the date of sale, regardless of the amount of any existing loans/liens.
- C. PROFESSIONAL ADVICE:** Seller is advised to discuss with an attorney, CPA or other professional of Seller's choosing before (i) accepting any offer to present to lender or (ii) agreeing to any changes requested by lender to an already accepted contract.

Buyer's Initials ( AS ) ( \_\_\_\_\_ )

Seller's Initials ( CS ) ( \_\_\_\_\_ )

Copyright © 2010-2012, CALIFORNIA ASSOCIATION OF REALTORS®, INC.

SSIA REVISED 11/12 (PAGE 2 OF 4)

SHORT SALE INFORMATION AND ADVISORY (SSIA PAGE 2 OF 4)

Produced with zipForm® by zipLogix 18970 Fifteen Mile Road, Fraser, Michigan 48026 [www.zipLogix.com](http://www.zipLogix.com)

15300 Palm Dr. #9

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

6. **POTENTIAL IMPROPRIETIES:** It is an unfortunate reality that many persons, including real estate licensees, mortgage lenders, and attorneys, among others, have taken advantage of owners of underwater or distressed properties. Some of the schemes present themselves as "rescues" of the homeowner, promising to let them stay in the property, to protect their credit, or to provide payments to them after closing, and usually outside of the escrow. Both the California Department of Real Estate (BRE) (<http://www.bre.ca.gov/>) and the California Attorney General (<http://www.ag.ca.gov>) have issued written warnings of potential red flags in short sales and other rescue schemes. Some of these red flags are:
- A. **No license:** The BRE believes that a real estate license is generally required to negotiate any short sale;
  - B. **MARS:** Short sale negotiators who do not represent a seller or buyer in a short sale are generally required to comply with the Mortgage Assistance Relief Services rules and provide required disclosures and notices to a seller.
  - C. **Up-front fees:** No real estate licensee can collect any up-front or advance fee without having first obtained a "no objection" letter from the BRE and no up-front fees may be taken for arranging a loan modification;
  - D. **Surcharges:** Charges by third parties that are not disclosed to the short sale lender and usually paid outside of escrow;
  - E. **3rd Party negotiations:** The licensing and fee requirements above apply whether the negotiation occurs through a Broker, representing a seller or a buyer in the transaction, or a 3rd party short sale negotiator. As with other real estate activity, short sale negotiator fees are negotiable and not set by law. The existence, fee and licensed status of any 3rd party short sale negotiator shall be disclosed to the lender and must be approved by the lender as part of the overall compensation to be paid in the short sale transaction.
  - F. **Straw buyers and house flipping:** Buyers misrepresent the value of the property to the short sale lender and flip the property to another buyer already in place;
  - G. **Other:** Other potential red flags include: guarantees to stop the foreclosure; instructions not to contact the lender; transfer of title prior to close (often to a trust) as a condition of negotiating with the lender; the buyer is an LLC; the buyer wants a power of attorney from the seller; and the buyer hires the third party negotiator or wants to negotiate directly with the lender.
- While most of the activities on the above list on their face are not fraudulent, they serve as warning signs that the owner and the real estate agents involved should proceed with caution.
7. **BUYER CONSIDERATIONS:** Short sales are often difficult transactions taking considerably longer than a typical real estate transaction to complete. There is no guarantee that the lender or lenders will agree to the terms of the purchase offer or that they will respond in any timely fashion or even respond at all. There is no guarantee that a seller or a buyer will agree to any terms proposed by the lender as a condition of releasing the lien or the debt on the property. Buyers may expend money on inspections, loan applications, escrow fees and other costs that they will not be able to recover from anyone if the lender does not approve the transaction. Buyers may also have difficulty obtaining the return of their deposit in escrow, if a seller becomes noncommunicative during the short sale process. Generally, sellers also have the right to continue to give offers to their lender(s) even if they have a contract with an existing buyer. Brokers cannot give any assurances as to what will happen. Buyers are strongly cautioned that any undisclosed and unapproved payments to junior lienholders or to seller or to outside third party negotiators may be a form of lender fraud. Buyers are also strongly cautioned that writing offers on more than one short sale property with the intent to purchase only one such property could be a misrepresentation giving rise to legal claims by a seller including a claim for the buyer's deposit.
8. **NATIONAL MORTGAGE SETTLEMENT (SETTLEMENT) AND CALIFORNIA HOMEOWNER BILL OF RIGHTS:** In early 2012 California joined a national settlement agreement between five of the nation's largest lenders (Bank of America, JPMorgan Chase, Wells Fargo, Citigroup and All Financial) and most states ("the Settlement"). The Settlement obligates the lenders to, among other things, write down or refinance some loans, extinguish certain unpaid balances and provide transition assistance to some homeowners. Loans owned by Fannie Mae or Freddie Mac are not covered by the Settlement. In Fall of 2012, California enacted laws, effective January 1, 2013, commonly and collectively referred to as the California Homeowner Bill of Rights ("Homeowners BOR"). These laws prohibit foreclosures while an approved short sale is pending or while a loan modification is in process or on appeal, as well as other requirements. Whether a borrower qualifies for any of the advantages of the Settlement or the Homeowner BOR requires an analysis of the borrower's loan and its applicability to either of those items. Such an analysis is beyond the scope of Brokers expertise. If a buyer or seller has questions about whether the borrower's loan is covered by either the Settlement or the Homeowner BOR, or how either of those items can affect a short sale transaction, that party should discuss the matter with a lawyer or accountant of their own choosing.
9. **BROKER ROLE:** A real estate broker cannot give legal or tax advice in connection with any of the options available to the borrower nor can the broker suggest what is the best course of action for the owner. Unfortunately, the owner is faced with extremely difficult choices having a lasting impact on the owner. Owners are strongly cautioned that they must seek legal and tax advice in what is not only a choice impacting taxes and credit, but also personal issues affecting the owner and often the owner's family. The broker's role is to assist the owner with the actual sale of the property in a short sale transaction, not to provide legal or tax advice or to guarantee the best possible outcome for the parties, or to assure a buyer that any particular transaction will be completed. Brokers do not, and cannot, assure that either a seller or a buyer will perform on their agreement or that the lender(s) will agree to any of the terms presented. Brokers are not a party to the contract between Buyer and Seller.

Buyer's Initials ( AS ) ( \_\_\_\_\_ )

Seller's Initials ( CD ) ( \_\_\_\_\_ )

Copyright © 2010-2012, CALIFORNIA ASSOCIATION OF REALTORS®, INC.

SSIA REVISED 11/12 (PAGE 3 OF 4)

SHORT SALE INFORMATION AND ADVISORY (SSIA PAGE 3 OF 4)

Produced with zipForm® by zipLogix 18070 Fiftenth Mile Road, Fraser, Michigan 48036 [www.zipLogix.com](http://www.zipLogix.com)

15300 Palm Dr. #9

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240Date: September 28, 2017

10. **BROKER AUTHORITY:** Seller authorizes Broker to: (1) market the Property for sale, (2) contact lenders concerning lender's of a short sale (C.A.R. Form ARC) and Seller agrees to give Broker any necessary information to negotiate with lenders, and (3) advertise in the MLS and other advertising medium that the property transfer, sales price and payment of commissions are subject to lenders approval. If lenders will not cooperate, Broker may cancel the listing agreement.

☐ Seller ☒ Buyer Calvin Schofield Date 09/28/2017

☐ Seller ☐ Buyer \_\_\_\_\_ Date \_\_\_\_\_

☒ Seller ☐ Buyer Charles Daff-Tinske Date 10/6/17

☐ Seller ☐ Buyer \_\_\_\_\_ Date \_\_\_\_\_

Real Estate Broker (Selling Firm) Berkshire Hathaway HomeServices BRE Lic # 01170031

By (Agent) Victor Yepello Victor Yepello BRE Lic # 01724773 Date 09/28/2017

Address 2905 Tahquitz Canyon Way City Palm Springs State CA Zip 92262

Telephone (760)660-0010 Fax (760)308-6776 Email vic@vicandron.com

Real Estate Broker (Listing Firm) The Dyson Companies BRE Lic # \_\_\_\_\_

By (Agent) Debbie Pribe Debbie Pribe BRE Lic # 01738826 Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_ Email debpriebe@sss-lv.com



Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020  
Copyright © 2010-2012, CALIFORNIA ASSOCIATION OF REALTORS®, INC.

SSIA REVISED 11/12 (PAGE 4 OF 4)

SHORT SALE INFORMATION AND ADVISORY (SSIA PAGE 4 OF 4)

Produced with zipForm® by zipLogix 18970 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palm Dr. #9

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



# Exhibit 3



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**STATEWIDE BUYER AND SELLER ADVISORY**  
(This Form Does Not Replace Local Condition Disclosures.  
Additional Addenda May Be Attached To This Advisory)  
(C.A.R. Form SBSA, Revised 1/16)

15300 Palm Dr.

Property Address Desert Hot Springs, CA 92240

Date September 28, 2017

**BUYER RIGHTS AND DUTIES:**

- The physical condition of the land and improvements being purchased are not guaranteed by Seller or Brokers.
- You should conduct thorough investigations of the Property both personally and with appropriate professionals.
- If professionals recommend further inspections, you should contact qualified experts to conduct such inspections.
- You should retain your own professional even if Seller or Broker has provided you with existing reports.
- You should read all written reports given to you and discuss those reports with the persons who prepared them.
- You have the right to request that the Seller make repairs or corrections or take other actions based on inspections or disclosures, but the Seller is not obligated to make any such repairs, corrections or other requested actions.
- If the Seller is unwilling or unable to satisfy your requests, and you act within certain time periods, you may have the right to cancel the Agreement (the Purchase Agreement and any Counter Offer and Addenda together are the "Agreement"). If you cancel outside of these periods, you may be in breach of the Agreement and your deposit might be at risk.
- The terms of the purchase agreement and any counter offers and addenda establish your rights and responsibilities.

**YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

**SELLER RIGHTS AND DUTIES:**

- You have a duty to disclose material facts known to you that affect the value or desirability of the Property.
- You are obligated to make the Property available to the Buyer and have utilities on for inspections as allowed by the Agreement.
- This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaires or disclosures.
- The terms of the Agreement establish your rights and responsibilities.

**BROKER RIGHTS AND DUTIES:**

- Brokers do not have expertise in all areas and matters affecting the Property or your evaluation of it.
- For most sales of residential properties with no more than four units, Brokers have a duty to make a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose to you material facts or defects that the inspection reveals.
- Many defects and conditions may not be discoverable by a Broker's visual inspection.
- If Brokers give a referral to another professional, Brokers do not guarantee that person's performance. You may select any professional of your own choosing.
- Any written agreement between a Broker and either Buyer or Seller or both establishes the rights and responsibilities of those parties.

**1. INSPECTIONS:** Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service within Buyer's inspection contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets, or take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation and structural items may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional for the area of concern to Buyer. Brokers do not have expertise in these areas. Brokers do not verify the results of any such inspection or guarantee the performance of any such inspector or service. Any election by Buyer to waive the right to a physical inspection of the Property or to rely on somebody other than an appropriate professional is against the advice of Brokers. Not all inspectors are licensed and licenses are not available for all types of inspection activities.

©2004-2016, California Association of REALTORS®, Inc.

SBSA REVISED 1/16 (PAGE 1 OF 12)

**STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 1 OF 12)**



Berkshire Hathaway HomeServices, 2905 Tahquitz Canyon Way Palm Springs, CA 92262  
Victor Yepello

Phone 760.660.0010 Fax 760-308-6776  
Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palm Dr. #9

**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

**2. SQUARE FOOTAGE, LOT SIZE, BOUNDARIES AND SURVEYS:** Buyer and Seller are advised that only an appraiser or land surveyor, as applicable, can reliably confirm square footage, lot size, Property corners and exact boundaries of the Property. Representations regarding these items that are made in a Multiple Listing Service, advertisements, and from property tax assessor records are often approximations, or based upon inaccurate or incomplete records. Fences, hedges, walls or other barriers may not represent actual boundary lines. Unless otherwise specified by Broker in writing, Brokers have not verified any such boundary lines or any representations made by Seller or others. Brokers do not have expertise in this area. Standard title insurance does not insure the boundaries of the Property. If Buyer wants information about the exact square footage, lot size or location of Property corners or boundaries, Broker recommends that Buyer hire an appraiser or licensed surveyor to investigate these matters or to prepare a survey of the property during Buyer's inspection contingency period.

**3. SOIL AND GEOLOGIC CONDITIONS:** Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion erosion, subsidence, earthquakes and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage and other soil conditions. Additionally, the Property may contain known or unknown mines, mills, caves or wells. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer hire an appropriate professional. Not all inspectors are licensed and licenses are not available for all types of inspections.

**4. GEOLOGIC HAZARDS:** Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by a visual inspection of Buyer(s) or Broker(s). Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled, "The Homeowner's Guide to Earthquake Safety." In most cases a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975, and contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or if the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Brokers do not have expertise in this area. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance naming Seller(s) as insured lien holder(s).

**5. ENVIRONMENTAL HAZARDS:** Buyer and Seller are advised that the presence of certain kinds of organisms, toxins and contaminants, including, but not limited to, mold (airborne, toxic or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, pcb's, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. If Buyer wants further information, Buyer is advised, and Broker(s) recommends, that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Brokers do not have expertise in this area. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home."

**6. EPA's LEAD-BASED PAINT RENOVATION, REPAIR AND PAINTING RULE:** The new rule requires that contractors and maintenance professionals working in pre-1978 housing, child care facilities, and schools with lead-based paint be certified; that their employees be trained; and that they follow protective work practice standards. The rule applies to renovation, repair, or painting activities affecting more than six square feet of lead-based paint in a room or more than 20 square feet of lead-based paint on the exterior. Enforcement of the rule begins October 1, 2010. See the EPA website at [www.epa.gov/lead](http://www.epa.gov/lead) for more information. Buyer and Seller are advised to consult an appropriate professional.

**7. FORMALDEHYDE:** Formaldehyde is a substance known to the State of California to cause cancer. Exposure to formaldehyde may be caused by materials used in the construction of homes. The United States Environmental Protection Agency, the California Air Resources Board, and other agencies have measured the presence of formaldehyde



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

in the indoor air of select homes in California. Levels of formaldehyde that present a significant cancer risk have been measured in most homes that were tested. Formaldehyde is present in the air because it is emitted by a variety of building materials and home products used in construction. The materials include carpeting, pressed wood products, insulation, plastics, and glues. Most homes that have been tested elsewhere do contain formaldehyde, although the concentrations vary from home to home with no obvious explanation for the differences. One of the problems is that many suppliers of building materials and home products do not provide information on chemical ingredients to builders. Buyers may have further questions about these issues. Buyer is advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Brokers do not have expertise in this area. Broker(s) recommend that Buyer and Seller read the booklet titled "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants."

**8. MOLD:** Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms, sometimes referred to as "toxic mold" (collectively "Mold"), may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way, and may not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not limited to, flooding, and leaks in windows, pipes and roof. Seller is advised to disclose the existence of any such conditions of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its existence. In addition, Mold is often undetectable from a visual inspection, a professional general property inspection and even a structural pest control inspection. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's inspection contingency period. Not all inspectors are licensed and licenses are not available for all types of inspection activities.

**9. WATER INTRUSION:** Buyer and Seller are advised that many homes suffer from water intrusion or leakage. The causes of water intrusion are varied, and can include defective construction, faulty grading, deterioration of building materials and absence of waterproof barriers. Water intrusion can cause serious damage to the Property. This damage can consist of wood rot, mold, mildew and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Because you, your Broker or a general home inspector cannot visually observe any effects of water intrusion, Buyer and Seller should not assume that such intrusion does not exist. Broker recommends that Buyer have the Property inspected for water intrusion by an appropriate professional. Brokers do not have expertise in this area.

**10. SEPTIC SYSTEMS:** Buyer and Seller are advised that a property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or served by a septic system. If the Property is served by a septic system, it may consist of a septic tank, cesspool, pits, leach lines or a combination of such mechanisms ("collectively, System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer should consult with their sanitation professional to determine if their report includes the tank only, or other additional components of the System such as pits and leach fields. Not all inspectors are licensed and licenses are not available for all types of inspection activities. In some cases, Buyer's lender as well as local government agencies may require System inspection. System-related maintenance costs may include, but not be limited to, locating, pumping or providing outlets to ground level. Brokers are unable to advise Buyer or Seller regarding System-related issues or associated costs, which may be significant. If Buyer and Seller agree to obtain a System inspection, Buyer and Seller are cautioned that the inspection cost may include, but not be limited to, the costs of locating, pumping or providing outlets to ground level.

**11. WELL AND WATER SYSTEM(S):** Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed,





DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: **15300 Palm Dr., Desert Hot Springs, CA 92240**

Date: **September 28, 2017**

qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker(s) recommend that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**12. WOOD DESTROYING PESTS:** Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of infestation or infection of wood destroying pests and organisms may adversely affect the Property. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. Brokers do not have expertise in this area. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation, by a registered structural pest control company during Buyer's inspection contingency period.

**13. EASEMENTS, ACCESS AND ENCROACHMENTS:** Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service or advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Unless otherwise specified by Broker in writing, Brokers have not verified any such matters or any representations made by Seller(s) or others. If Buyer wants further information, Buyer is advised and Broker(s) recommend that Buyer hire a licensed surveyor during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**14. EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES:** Buyer and Seller are advised that California Public Resources Code Sections 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Brokers do not have expertise in this area. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones.

**15. FIRE HAZARDS:** Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code Section 4136 and California Government Code Sections 51178 and 51183.5, and may use a research company to aid in the process. Owners of property may be assessed a fire prevention fee on each structure on each parcel in such zones. The fee may be adjusted annually commencing July 1, 2013. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Brokers do not have expertise in this area. Buyer is advised that there is a potential for fires even outside designated zones.

**16. FLOOD HAZARDS:** Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency (FEMA), or an area of Potential Flooding pursuant to California Government Code Section 8589.3, generally Seller must disclose this fact to Buyer and may use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker(s) recommend that Buyer consult his or her lender and/or insurance agent during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer is advised that there is a potential for flooding even outside designated zones.

**17. ZONE MAPS MAY CHANGE:** Maps that designate, among other things, Earthquake Fault Zones, Seismic Hazard Zones, State Fire Responsibility Areas, Very High Fire Hazard Zones, Special Flood Hazard Areas, and Potential Flooding Areas are occasionally redrawn by the applicable Government Agency. Properties that are currently designated in a specified zone or area could be removed and properties that are not now designated in a specified zone or area could be placed in one or more such zones or areas in the future. A property owner may dispute a FEMA flood hazard location by submitting an application to FEMA.

SBSA REVISED 1/16 (PAGE 4 OF 12)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 4 OF 12)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.zipLogix.com](http://www.zipLogix.com)

15300 Palm Dr., P9



EQUAL HOUSING  
OPPORTUNITY

**Exhibit 3**



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

**18. BUILDING PERMITS, ZONING AND CODE COMPLIANCE:** Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel or improvement may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use of the Property, its development and size. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**19. VIEWS:** Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Brokers make no representation regarding the preservation of existing views. If Buyer wants further information, Broker(s) recommend that Buyer review covenants, conditions and restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**20. FUTURE REPAIRS, REPLACEMENTS AND REMODELS:** Buyer and Seller are advised that replacement or repairs of certain systems or rebuilding or remodeling of all or a portion of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair, rebuild or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. In particular, changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC). Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs. The phase out of the use of R-22 Freon will have an impact on repairs and replacement of existing air conditioning units and heat pumps. More information is available from the Environmental Protection Agency at <http://www.epa.gov/ozone/title6/phaseout/22phaseout.html>. New efficiency standards are also in place for water heaters. As a consequence, replacement water heaters will generally be larger than existing units and may not fit in the existing space. Additional venting and other modifications may be required as well. More information is available from the U.S. Department of Energy at [http://www1.eere.energy.gov/buildings/appliance\\_standards/product.aspx/productid/27](http://www1.eere.energy.gov/buildings/appliance_standards/product.aspx/productid/27). If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**21. GOLF COURSE DISCLOSURES:** Buyer and Seller are advised that if the Property is located adjacent to or near a golf course the following may apply: (i) Stray golf balls - Any residence near a golf course may be affected by errant golf balls, resulting in personal injury or destruction to property. Golfers may attempt to trespass on adjacent property to retrieve golf balls even though the project restrictions may expressly prohibit such retrieval. (ii) Noise and lighting - The noise of lawn mowers irrigation systems and utility vehicles may create disturbances to homeowners. Maintenance operations may occur in the early morning hours. Residents living near the clubhouse may be affected by extra lighting, noise, and traffic. (iii) Pesticides and fertilizer use - A golf course may be heavily fertilized, as well as subjected to other chemicals during certain periods of the year. (iv) Irrigation system - Golf course sprinkler systems may cause water overspray upon adjacent property and structures. Also the irrigation system of a golf course may use reclaimed and retreated wastewater. (v) Golf carts - Certain lots may be affected more than others by the use of golf carts. Lots adjacent to a tee or putting green may be subject to noise disturbances and loss of privacy. (vi) Access to golf course from residences - It is likely that most residences will not have direct access from their lots to the golf course. The project restrictions may disclaim any right of access or other easements from a resident's lot onto the golf course. (vii) View obstruction - Residents living near a golf course may have their views over the golf course impacted by maturing trees and landscaping or by changes to the course's configuration. (viii) Water restrictions - As some municipalities face water shortages, the continued availability of water to the golf course may be restricted or otherwise reduced by the local water agency. If Buyer wants further information, Broker(s) recommend that Buyer contact the local water agency regarding this matter.

**22. SCHOOLS:** Buyer and Seller are advised that children living in the Property may not, for numerous reasons, be permitted to attend the school nearest the Property. Various factors including, but not limited to, open enrollment policies, busing, overcrowding and class size reductions may affect which public school serves the Property. School district boundaries are subject to change. Buyer is advised to verify whether the Property is now, and at the Close of Escrow will be, in the school district Buyer understands it to be in and whether residing in the Property entitles a person to attend any specific school in which that Buyer is interested. Broker(s) recommend that Buyer contact the local school or school district for additional information during Buyer's inspection contingency period. Brokers do not have expertise in this area.

SBSA REVISED 1/16 (PAGE 5 OF 12)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 5 OF 12)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palm Dr., #9



**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr. , Desert Hot Springs, CA 92240

Date: September 28, 2017

**23. NEIGHBORHOOD NOISE SOURCES:** Buyer and Seller are advised that even if the Property is not in an identified airport noise influence area, the Property may still be subject to noise and air disturbances resulting from airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include nearby commercial districts, schools, traffic on streets, highways and freeways, trains and general neighborhood noise from people, dogs and other animals. Noise levels and types of noise that bother one person may be acceptable to others. Buyer is advised to satisfy him/herself with regard to any sources of and amounts of noise at different times of day and night. Brokers do not have expertise in this area.

**24. PETS AND ANIMALS:** Buyer and Seller are advised that the current or previous owner(s) may have had domesticated or other pets and animals at the Property. Odors from animal urine or other contamination may be dormant for long periods of time and then become active because of heat, humidity or other factors and might not be eliminated by cleaning or replacing carpets or other cleaning methods. Pet urine and feces can also damage hardwood floors and other floor coverings. Additionally, an animal may have had fleas, ticks and other pests that remain on the Property after the animal has been removed. If Buyer wants further information, Broker(s) recommend that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**25. SWIMMING POOL, SECURITY AND SAFETY:** Buyer and Seller are advised that state and local Law may require the installation of barriers, anti-entrapment grates, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. Brokers do not have expertise in this area. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions and other requirements.

**26. RETROFIT, BUILDING REQUIREMENTS, AND POINT OF SALE REQUIREMENTS:** Buyer and Seller are advised that state and local Law may require (i) the installation of operable smoke detectors, (ii) bracing or strapping of water heaters, and (iii) upon sale completion of a corresponding written statement of compliance that is delivered to Buyer. Although not a point of sale or retrofit obligation, state law may require the property to have operable carbon monoxide detection devices. Additionally, some city and county governments may impose additional retrofit standards at time of sale including, but not limited to, installing low-flow toilets and showerheads, gas shut-off valves, and tempered glass. Brokers do not have expertise in this area. Broker(s) recommend that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the costs, if any, of compliance.

**27. WATER SHORTAGES AND CONSERVATION:** Buyer and Seller are advised that the Property may be located in an area that could experience water shortages. The policies of local water districts and the city or county in which the Property is located can result in the occurrence of any or all of the following: (i) limitations on the amount of water available to the Property, (ii) restrictions on the use of water, and (iii) an increasingly graduated cost per unit of water use, including, but not limited to, penalties for excess usage. For further information, Broker recommends that Buyer contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyer's intended use of the Property. If the Property is serviced by a private well, Buyer is advised that drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyers should contact water truck companies for the costs involved. Brokers do not have expertise in this area.

**28. NEIGHBORHOOD, AREA, PERSONAL FACTORS, HIGH SPEED RAILS, AND SMOKING RESTRICTIONS:** Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to medical marijuana growing or distribution locations, cell phone towers, manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, susceptibility to tsunami and adequacy of tsunami warnings, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer. California is potentially moving toward high speed rail service between Northern and Southern California. This rail line could have an impact on the Property if it is located nearby. More information on the timing of the project and routes is available from the California High-Speed Rail Authority at <http://cahighspeedrail.ca.gov>. The State of California has long-standing no smoking laws in place restricting smoking in most business and some public spaces. Local jurisdictions may enact laws that are more restrictive than state law. Many California cities have enacted restrictions on smoking in parks, public sidewalks, beaches and shopping areas. Some jurisdictions have restrictions entirely banning smoking inside privately owned apartments and condominiums as well as in the common areas of such structures, or limiting smoking to certain designated areas. If Buyer wants further information, Broker(s) recommend that Buyer contact local government agencies about these restrictions.

SBSA REVISED 1/16 (PAGE 6 OF 12)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 6 OF 12)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palm Dr., #9



**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

**29. UNDERGROUND PIPELINES AND UTILITIES:** Throughout California underground pipelines transport natural gas, liquid fuel and other potentially hazardous materials. These pipelines may or may not provide utility services to the Property. Information about the location of some of the pipelines may be available from a company that also provides disclosures of natural and other hazards or from other sources of public maps or records. Proximity to underground pipelines, in and of itself, does not affirmatively establish the risk or safety of the property. If Buyer wants further information about these underground pipelines and utilities, Buyer is advised to consult with appropriate experts during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**30. MARIJUANA AND METHAMPHETAMINE LABS:** Buyer and Seller are advised that California law permits individual patients to cultivate, possess and use marijuana for medical purposes. Furthermore, California law permits primary caregivers, lawfully organized cooperatives, and collectives to cultivate, distribute and possess marijuana for medicinal purposes. California's medical marijuana law is in direct conflict with federal law which recognizes no lawful use for marijuana and has no exemptions for medical use. Federal criminal penalties, some of which mandate prison time, remain in effect for the possession, cultivation and distribution of marijuana. Buyer and Seller are strongly advised to seek legal counsel as to the legal risks and issues surrounding owning or purchasing a property where medical or any other marijuana activity is taking place. Marijuana storage, cultivation and processing carry the risk of causing mold, fungus or moisture damage to a property, additionally, some properties where marijuana has been cultivated have had alterations to the structure or the electrical system which may not have been done to code or with permits and may affect the safety of the structure or the safe operation of the electrical system. Buyer is strongly advised to retain an environmental hygienist contractor and other appropriate professionals to inspect a property where medical or any other marijuana activity has taken place. Broker recommends that Buyer and Seller involved with a property where there is medical marijuana activity or where it may take place review the California Attorney General's Guidelines for the "Security and Non-Diversion of Marijuana Grown for Medical Use" ([http://ag.ca.gov/cms\\_attachments/press/pdfs/n1601\\_medicalmarijuanaguidelines.pdf](http://ag.ca.gov/cms_attachments/press/pdfs/n1601_medicalmarijuanaguidelines.pdf)) and the U.S. Department of Justice memo regarding marijuana prosecutions at <http://www.justice.gov/opa/documents/medical-marijuana.pdf>. Brokers do not have expertise in this area. While no state law permits the private production of methamphetamine, some properties have been the site of an illegal methamphetamine laboratory. State law imposes an obligation to notify occupants, a ban on occupying the property and clean up requirements when authorities identify a property as being contaminated by methamphetamine. Buyer is advised that a property where methamphetamine has been produced may pose a very serious health risk to occupants. Buyer is strongly advised to retain an environmental hygienist contractor or other appropriate professionals to inspect the property if methamphetamine production is suspected to have taken place. Brokers do not have expertise in this area.

**31. INSURANCE AND TITLE INSURANCE AFTER FORECLOSURE:** Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years (C.A.R. Form SPQ or SSD). Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker(s) recommend that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner Association Insurance. Broker(s) recommend that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer does any repairs to the property during the escrow period or Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker(s) recommend that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Buyer and Seller are advised that traditional title insurance generally protects Buyer's title acquired through the sale of the property. While all title insurance policies, as do all insurance policies, contain some exclusions, some title insurance policies contain exclusions for any liability arising from a previous foreclosure. This can occur when a short sale has occurred but the lender mistakenly has also proceeded with a foreclosure. Buyer is strongly advised to consult with a title insurer to satisfy themselves that the policy to be provided adequately protects their title to the property against other possible claimants. Brokers do not have expertise in this area.

**32. OWNER'S TITLE INSURANCE:** The Truth in Lending/RESPA integrated disclosure (TRID) established by the Consumer Financial Protection Bureau (CFPB) requires that lenders must tell borrowers that title insurance is "optional." While obtaining an owner's policy of title insurance may be "optional", it may be a contractual requirement as between Buyer and Seller. Furthermore, California Civil Code § 1057.6 requires that escrows provide the following notice to borrowers:

"IMPORTANT: IN A PURCHASE OR EXCHANGE OF REAL PROPERTY, IT MAY BE ADVISABLE TO OBTAIN TITLE INSURANCE IN CONNECTION WITH THE CLOSE OF ESCROW SINCE THERE MAY BE PRIOR RECORDED LIENS AND ENCUMBRANCES WHICH AFFECT YOUR INTEREST IN THE PROPERTY BEING ACQUIRED. A NEW POLICY OF TITLE INSURANCE SHOULD BE OBTAINED IN ORDER TO ENSURE YOUR INTEREST IN THE PROPERTY THAT YOU ARE ACQUIRING."

SBSA REVISED 1/16 (PAGE 7 OF 12)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 7 OF 12)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.zipLogix.com](http://www.zipLogix.com)

15300 Palm Dr. #9



**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr. , Desert Hot Springs, CA 92240

Date: September 28, 2017

Additionally, even the CFPB on its "ask CFPB" "What is owner's title insurance?" page advises "You may want to buy an owner's title insurance policy, which can help protect your financial interest in the home." Moreover, not obtaining an owner's policy may increase the cost of the lender's policy (required by most lenders), possibly require the separate purchase of a preliminary title report, and may have an impact on the sale of the Property in the future.

Buyers who decide to opt out of obtaining an owner's title insurance policy are acting against the advice of Brokers as well as the advice provided in the California Civil Code and by the CFPB.

**33. CALIFORNIA FAIR PLAN:** Buyer and Seller are advised that insurance for certain hillside, oceanfront and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties and coverage may be limited. Broker(s) recommend that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.

**34. HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE, AGRICULTURAL OR OPEN SPACE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS:** Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, (iv) within the jurisdiction of the California Coastal Commission or other government agency, or (v) subject to a contract preserving use of all or part of the Property for agriculture or open space. If the Property is so designated or within the jurisdiction of any such, or similar, government agency, then there may be restrictions on Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker(s) recommend that Buyer satisfy him/herself during Buyer's inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.

**35. 1915 IMPROVEMENT BOND MELLO-ROOS COMMUNITY DISTRICT, AND OTHER ASSESSMENT DISTRICTS:** Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915, a levy of a special tax pursuant to a Mello-Roos Community Facilities district, and/or a contractual assessment as provided in Section 5898.24 of the Streets And Highways Code or other assessment districts. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. Brokers do not have expertise in this area.

**36. PACE LOANS AND LIENS:** The acronym PACE stands for Property Assessed Clean Energy. PACE programs allow property owners to finance energy and water conservation improvements and pay for them through an assessment on the owner's property. PACE programs are available in most areas for both residential one to four unit properties and commercial properties. PACE programs may be referred to by different names such as HERO or SCEIP, among others. If a PACE project is approved, an assessment lien is placed on the property for the amount owed plus interest. The property owner repays the entity for the improvements as a special tax assessment on the property tax bill over a period of years. A PACE lien is similar to a property tax lien in that it has "super priority." Sellers are obligated to disclose, pursuant to the C.A.R. purchase agreement, whether any improvement is subject to a lien such as a PACE lien. Properties that are subject to PACE liens made on or after July 6, 2010 may not be eligible for financing. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.

**37. SOLAR PANEL LEASES:** Solar panel or power systems may be owned or leased. Although leased systems are probably personal property, they are included in the sale by the C.A.R. purchase agreement which also obligates the Seller to make a disclosure to the Buyer and provide the Buyer with documentation concerning the lease and system. Leasing companies generally secure payments by filing a UCC-1 (a Uniform Commercial Code form giving notice of a creditor's security interest) against the property. Buyers are given a contingency right to investigate the solar related system and documentation and assume any lease. Should a solar panel or power system be on the Property, Buyers should determine if the system is leased or owned. For more information, Buyer may request from Broker the C.A.R. Legal Q&A titled: "PACE Programs and Solar Leases". Brokers do not have expertise in this area.

**38. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"); CHARGING STATIONS; FHA/VA APPROVAL:** Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision, there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. Additionally, if an electric vehicle charging station is installed in a common area or an exclusive use common area, each Seller whose parking space is on or near that charging station must disclose its existence and that the Buyer will have the responsibilities set forth in California Civil Code §4745.

SBSA REVISED 1/16 (PAGE 8 OF 12)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 8 OF 12)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palm Dr. #9



**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Effective July 1, 2016, a Common Interest Development (CID) will be required to include in its annual budget report a separate statement describing the status of the CID as a Federal Housing Administration or Department of Veterans Affairs approved Development. While the purchase agreement and the law require that the annual budget be provided by Seller to Buyer, Brokers will not and cannot verify the accuracy of information provided by the CID. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims, and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. For more information Buyer may request from Broker the C.A.R. Legal Q&A titled: "Homeowners' Associations: A Guide for REALTORS®". Brokers do not have expertise in this area.

**39. LEGAL ACTION:** Buyer and Seller are advised that if Seller or a previous owner was involved in a legal action (litigation or arbitration) affecting the Property, Buyer should obtain and review public and other available records regarding the legal action to determine: (i) whether the legal action or any resolution of it affects Buyer and the Property, (ii) if any rights against any parties involved in the legal action survive the legal action or have been terminated or waived as a result of the legal action, whether or not involving the same issue as in the legal action, and (iii) if any recommendations or requirements resulting from the legal action have been fulfilled and, if so, that Buyer is satisfied with any such action. Buyer should seek legal advice regarding these matters.

**40. COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES:** Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer taxes and fees, over and above any stated fees. The Federal Housing Finance Agency has issued a rule that prohibits Fannie Mae and Freddie Mac from purchasing loans made on properties with private transfer fees if those fees were established on or after February 8, 2011. See title 12 Code of Federal Regulations Section 1228 for more information and exceptions. Private transfer fees: (i) may last for a fixed period of time or in perpetuity, (ii) are typically calculated as a percentage of the sales price, and (iii) may have private parties, charitable organizations or interest-based groups as their recipients who may use the funds for social issues unrelated to the property. Brokers do not have expertise in this area.

**41. GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION:** Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. The following nonexclusive, non-exhaustive list contains examples of recalled/defective products/class action information: horizontal furnaces, Whirlpool Microwave Hood Combination; RE-ConBuilding products roof tiles; Central Sprinkler Company Fire Sprinklers; Robert Shaw Water Heater Gas Control Valves; Trex Decking; water heaters; aluminum wiring; galvanized, abs, polybutylene and copper pipe; and dry wall manufactured in China. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed above, Broker(s) recommend that Buyer review the CPSC website at <http://www.cpsc.gov> during Buyer's inspection contingency period. Another source affiliated with the CPSC is Saferproducts.gov which allows a Buyer to search by product type or product name. Buyers may also search using the various search engines on the Internet for the specified product or products in question. Brokers recommend that Buyers satisfy themselves regarding recalled or defective products. Brokers do not have expertise in this area and Brokers will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit.

**42. RENTAL PROPERTY RESTRICTIONS:** Buyer and Seller are advised that some cities and counties impose restrictions that limit the rent that can be charged to a tenant, the maximum number of tenants who can occupy the property and the right of a landlord to terminate a tenancy and the costs to do so. If Buyer wants further information, Broker(s) recommend that Buyer investigate the issue with an appropriate government authority during Buyer's inspection contingency period. Brokers do not have expertise in this area.

**43. LAND LEASE:** Buyer and Seller are advised that certain developments are built on leased land. This means that: (i) Buyer does not own the land, (ii) the right to occupy the land will terminate at some point in time, (iii) the cost to lease the land may increase at some point in the future, and (iv) Buyer may not be able to obtain title insurance or may have to obtain a different type of title insurance. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an attorney or other appropriate professional. Brokers do not have expertise in this area.

**44. HOME WARRANTY:** Buyer and Seller are advised that Buyer and Seller can purchase home warranty plans covering certain standard systems of the Property both before and after Close of Escrow. Seller can obtain coverage for the Property during the listing period. For an additional premium, an upgraded policy providing additional coverage for air conditioning, pool and spa and other features can be purchased. Home warranties do not cover every aspect of the Property and may not cover inspections or upgrades for repairs required by state or federal laws or pre-existing conditions. Broker(s) recommend that Buyer review the policy for details. Brokers do not have expertise in this area.

SBSA REVISED 1/16 (PAGE 9 OF 12)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 9 OF 12)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palm Dr., #9



**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

**45. INTERNET ADVERTISING; INTERNET BLOGS; SOCIAL MEDIA:** Buyer and Seller are advised that Broker may employ a service to provide a "virtual tour" or Internet marketing of the Property, permitting potential buyers to view the Property over the Internet. Neither the service provider nor Brokers have control over who will obtain access to such services or what action such persons might take. Additionally, some Internet sites and other social media provide formats for comments or opinions of value of properties that are for sale. Information on the Property, or its owner, neighborhood, or any homeowner association having governance over the Property may be found on the internet on individual or commercial web sites, blogs, Facebook pages, or other social media. Any such information may be accurate, speculative, truthful or lies. Broker will not investigate any such sites, blogs, social media or other internet sites or the representations contained therein. Buyer is advised to make an independent search of electronic media and online sources prior to removing any investigation contingency. Buyer and Seller are advised that Brokers have no control over how long the information concerning the Property will be available on the Internet or through social media. Brokers do not have expertise in this area.

**46. ESCROW FUNDS:** Buyer and Seller are advised that California Insurance Code Section 12413.1 provides that escrow companies cannot disburse funds unless there are sufficient "good funds" to cover the disbursement. "Good funds" are defined as cash, wire transfers and cashiers' or certified checks drawn on California depositories. Escrow companies vary in their own definitions of "good funds." Broker(s) recommend that Buyer and Seller ask the escrow company regarding its treatment of "good funds." All samples and out-of-state checks are subject to waiting periods and do not constitute "good funds" until the money is physically transferred to and received by the escrow holder. Brokers do not have expertise in this area.

**47. ONLINE OR WIRE FUNDS TRANSFERS:** Instructions for the online or wire transfer of escrow deposits have been known to be intercepted by hackers who alter them so that Buyer's funds are actually wired to accounts controlled by criminals rather than the escrow company. Buyers should exercise extreme caution in making electronic funds transfers, verifying that the organization they are transferring funds to is, in fact, the escrow company and that their own bank account information is not being exposed.

**48. NOTICE OF YOUR "SUPPLEMENTAL" PROPERTY TAX BILL:** Buyer and Seller are advised that pursuant to Civil Code § 1102.6(c), Seller, or his or her agent, is required to provide the following "Notice of Your 'Supplemental' Property Tax Bill" to the Buyer:

"California property tax law requires the Assessor to revalue real property at the time the ownership of property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. Even if you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector. If you have any questions concerning this matter, please call your Tax Collector's Office."

Although the notice refers to loan closing as a trigger, it is actually the change of ownership which triggers this reassessment of property taxes. Therefore, the Property can be reassessed even if there is no loan involved in the purchase of the Property. The Purchase Agreement may allocate supplemental tax bills received after the Close of Escrow to the Buyer. If Buyer wants further information concerning these matters, Broker(s) recommend that Buyer discuss the issue with the County Assessor or Tax Collector or their own tax or legal advisor. Brokers do not have expertise in this area.

**49. NON CONFIDENTIALITY OF OFFERS:** Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer, unless all parties and their agent have signed a written confidentiality agreement (such as C.A.R. Form CND). Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller.

**50. FIRPTA/CALIFORNIA WITHHOLDING:** Buyer and Seller are advised that: (i) Internal Revenue Code Section 1445, as of February 17, 2016, requires a Buyer to withhold and to remit to the Internal Revenue Service 15% of the purchase price of the property if the Seller is a non-resident alien, unless an express exemption applies. Only 10% needs to be withheld if the buyer acquires the property as Buyer's residence and the price paid does not exceed \$1,000,000. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and must include Seller's tax identification number. Buyer can also avoid having to withhold Federal taxes from Seller's Proceeds if the property price is \$300,000 or less, and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code Section 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price of the property unless the Seller signs an affidavit that the property was the Seller's (or the decedent's, if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another express exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax or legal advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.

SBSA REVISED 1/16 (PAGE 10 OF 12)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 10 OF 12)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palm Dr., #9



**Exhibit 3**



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

**51. LIQUIDATED DAMAGES:** Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the Agreement. The clause usually provides that a seller will retain a buyer's initial deposit paid if a buyer breaches the agreement, and generally must be separately initialed by both parties and meet other statutory requirements to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be another separately signed or initialed agreement (see C.A.R. Form RID). However, if the Property contains from 1 to 4 units, one of which a buyer intends to occupy, California Civil Code Section 1675 limits the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release a buyer's deposit to a seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.

**52. MEDIATION:** Buyer and Seller are advised that mediation is a process by which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA-CA: (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without having first attempted to mediate the dispute, that party risks losing the right to recover attorney fees and costs even if he or she prevails.

**53. ARBITRATION:** Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a binding decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not a matter of public record. By agreeing to arbitration, the parties give up the right to a jury trial and to appeal the arbitrator's decision. Arbitration decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration, then after first attempting to settle the dispute through mediation, any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.

**54. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specific registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

**55. DEATH ON THE PROPERTY:** California Civil Code Section 1710.2 protects a seller from: (i) failing to disclose a death on the property that occurred more than 3 years before a buyer has made an offer on a property; and (ii) failing to disclose if an occupant of a property was afflicted with HIV/AIDS, regardless of whether a death occurred or if so, when. Section 1710.2 does not protect a seller from making a misrepresentation in response to a direct inquiry. If the Buyer has any concerns about whether a death occurred on the Property or the manner, location, details or timing of a death, the buyer should direct any specific questions to the Seller in writing.

**56. ELECTRONIC SIGNATURES:** The ability to use electronic signatures to sign legal documents is a great convenience, facilitating the ability to send and receive documents and reach agreement in a real estate transaction. However, Buyers and Sellers are cautioned to carefully read each provision. Arrows indicating "sign here" are merely there for the convenience of finding the next signature line. Only sign if you consent to the terms provided in the document. Brokers strongly advise Buyers and Sellers to read the entire document before signing even if they have reviewed an earlier draft. Do not just scroll through or skip to the next signature line. You are signing a legally binding agreement. Read it carefully. Ask your Broker, Agent or legal advisor if you have questions or do not understand a provision, and sign only if you agree to be bound by the terms.



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr. , Desert Hot Springs, CA 92240

Date: September 28, 2017

**57. LOCAL ADDENDA (IF CHECKED):**

The following local disclosures or addenda are attached:

- A. ☐  
B. ☐  
C. ☐  
D. ☐

Buyer and Seller acknowledge and agree that Brokers: (i) do not decide what price Buyer should pay or Seller should accept; (ii) do not guarantee the condition of the Property; (iii) do not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) do not have any obligation to conduct an inspection of common areas or areas off the site of the Property (v) shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Brokers; (vi) shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

Buyer and Seller are encouraged to read this Advisory carefully. By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of this Advisory.

BUYER

Calvin Schofield Date 09/28/2017

BUYER

Date

107 E Coeur d'Alene, Ave. , Coeur d'Alene, ID 83814

(Address)

SELLER

Date 10/6/17

SELLER

Date

(Address)

Real Estate Broker (Selling Firm) Berkshire Hathaway HomeServices

Cal BRE Lic. # 01170031

By

Victor Yepello

Cal BRE Lic.# 01724773

Date 09/28/2017

Address 2905 Tahquitz Canyon Way

City Palm Springs

State CA

Zip 92262

Telephone (760)660-0010

Fax (760)308-6776

Email vic@vicandron.com

Real Estate Broker (Listing Firm) The Dyson Companies

Cal BRE Lic. #

By

Debbie Pribe

Cal BRE Lic.# 01738826

Date

Address

City

State

Zip

Telephone

Fax

Email debpriebe@sss-lv.com

© 2004-2016, California Association of REALTORS®, Inc. Copyright claimed in Form SBSA, exclusive of language required by California Civil Code §1102.6(c) United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof by photocopy machine or any other means, including facsimile or computerized formats.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



SBSA REVISED 1/16 (PAGE 12 OF 12)

STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 12 OF 12)

Produced with zipForm® by zipLogix 18970 Fifteen Mile Road, Fraser, Michigan 48926 www.ziplogix.com

15300 Palm Dr. #9

**Exhibit 3**



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**MARKET CONDITIONS ADVISORY**  
(C.A.R. Form MCA, Revised 11/11)

**1. MARKET CONDITIONS:** Real estate markets are cyclical and can change over time. It is impossible to predict future market conditions with accuracy. In a competitive or "hot" real estate market, there are generally more Buyers than Sellers. This will often lead to multiple buyers competing for the same property. As a result, in order to make their offers more attractive, some Buyers may offer more than originally planned or eliminate certain contingencies in their offers. In a less competitive or "cool" market there are generally more Sellers than Buyers, often causing real estate prices to level off or drop, sometimes precipitously. The sales price of homes being sold as foreclosures and short sales is difficult to anticipate and can affect the value of other homes in the area. Brokers, appraisers, Sellers and Buyers take these "distressed" property sales and listings into consideration when valuing property. In light of the real estate market's cyclical nature it is important that Buyers understand the potential for little or no appreciation in value, or an actual loss in value, of the property they purchase. This Advisory discusses some of the potential risks inherent in changing market conditions.

**2. BUYER CONSIDERATIONS:**

**A. OFFERING PRICE:** AS A BUYER, YOU ARE RESPONSIBLE FOR DETERMINING THE PRICE YOU WANT TO OFFER FOR A PROPERTY. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All buyers should be sure they are comfortable with the price they are offering or the price they are accepting in a counter offer. You should be aware of and think about the following: (i) If your offer is accepted, the property's value may not increase and may even decrease. (ii) If your offer is accepted, you may have "Buyer's remorse" that you paid too much. (iii) If your offer is rejected there can be no guarantee that you will find a similar property at the same price. (iv) If your offer is rejected, you may not be satisfied that the amount you offered was right for you. Only you can determine that your offer was reasonable and prudent in light of the property and your circumstances.

**B. NON-CONTINGENT OFFERS:** Most residential purchase agreements contain contingencies allowing a Buyer within a specified period of time to cancel a purchase if: (i) the Buyer cannot obtain a loan; (ii) is dissatisfied with the property's condition after an inspection; or (iii) if the property does not appraise at a certain value. To make their offers more attractive, Buyers will sometimes write offers with few or no contingencies or offer to remove contingencies within a short period of time. In a "hot" market, sellers will sometimes insist that Buyers write offers with no contingencies. Broker recommends that Buyers do not write non-contingent offers and if you do so, you are acting against Broker's advice. However, if you do write a non-contingent offer these are some of the contractual rights you may be giving up:

(1) **LOAN CONTINGENCY:** If you give up your loan contingency, and you cannot obtain a loan, whether through your fault or the fault of your lender, and as a result, you do not or cannot purchase the property, you may legally be in default under the contract and required to pay damages or forfeit your deposit to the seller.

(2) **APPRAISAL CONTINGENCY:** If your lender's (or your own) appraiser does not believe the property is worth what you have agreed to pay for it, your lender may not loan the full amount needed for the purchase or may not loan any amount at all because of a low appraisal. As a result, if you do not purchase the property, and you have removed your appraisal contingency, you may legally be in default under the contract and could be required to pay damages to, or forfeit your deposit to, the Seller. The Seller is not obligated to reduce the purchase price to match the appraised value.

Buyer's Initials ( AS ) ( \_\_\_\_\_ )

Seller's Initials ( AS ) ( \_\_\_\_\_ )

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form by any means, including facsimile or computerized formats. Copyright © 2008-2011, CALIFORNIA ASSOCIATION OF REALTORS® Inc. All Rights Reserved.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®, REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

MCA REVISED 11/11 (PAGE 1 OF 2)

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



MARKET CONDITIONS ADVISORY (MCA PAGE 1 OF 2)

Berkshire Hathaway HomeServices, 2905 Tuhquitz Canyon Way Palm Springs, CA 92262  
Victor Yepelle

Phone: 760.660.0010 Fax: 760.308-6776 (5300 Palm Dr., #9)  
Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

3. **INSPECTION CONTINGENCY:** If you disapprove of the condition of the property and as a result, you do not purchase the property, you may legally be in default under the contract and required to pay damages to, or forfeit your deposit to, the Seller if you have removed your inspection contingency. However, even if you make an offer without an inspection contingency or you remove that contingency, the Seller may still be obligated to disclose to you material facts about the property. In some cases, once you receive that information the law gives you an independent right to cancel for a limited period of time.

There is inherent risk in writing a non-contingent offer. Only you, after careful consultation and deliberation with your attorney, accountant, or financial advisor can decide how much risk you are willing to take. IT IS YOUR DECISION ALONE AND CANNOT BE MADE BY YOUR BROKER OR REAL ESTATE AGENT.

**C. BROKER RECOMMENDATIONS.** Broker recommends that you do not write a non-contingent offer, even if you are planning on paying all cash for the property. If you intend to write a non-contingent offer, Broker recommends that, prior to writing the offer, you: (i) review all available Seller reports, disclosures, information and documents; (ii) have an appropriate professional inspect the property (even if it is being sold "as is" in its present condition); and (iii) carefully assess your financial position and risk with your attorney, accountant or financial advisor.

**D. MULTIPLE OFFERS:** At times Buyers may write offers on more than one property even though the Buyer intends to purchase only one. This may occur in a short sale when the approval process can take a considerable amount of time. While it is not illegal to make offers on multiple properties with intent to purchase only one, the Buyer can be obligated to many Sellers if more than one accepts the Buyer's offers. If the Buyer has not disclosed that the Buyer is writing multiple offers with the intent to purchase only one and the Buyer subsequently cancels without using a contingency, the Seller may claim the Buyer is in breach of contract because the Buyer fraudulently induced the Seller to enter into a contract.

### 3. SELLER CONSIDERATIONS:

As a Seller, you are responsible for determining the asking price for your property. Although Brokers may provide you with comparable sales data, generally from information published in the local multiple listing service, you should know that the reporting of this data is often delayed and prices may change, up or down, faster than reported sales indicate. All Sellers should be sure they are comfortable with the asking price they are setting and the price they are accepting. There is not, and cannot be, any guarantee that the price you decide to ask for your property, or the price at which you agree to sell your property is the highest available price obtainable for the property. It is solely your decision as to how much to ask for your property and at which price to sell your property.

Buyer/Seller acknowledges each has read, understands and has received a copy of this Market Conditions Advisory.

|        |                         |      |                           |
|--------|-------------------------|------|---------------------------|
| Buyer  | <u>Calvin Schofield</u> | Date | <u>September 28, 2017</u> |
| Buyer  |                         | Date |                           |
| Seller | <u>Charles Daff</u>     | Date | <u>10/6/17</u>            |
| Seller | <u>Trustee</u>          | Date |                           |

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form by any means, including facsimile or computerized formats. Copyright © 2008-2011, CALIFORNIA ASSOCIATION OF REALTORS®, Inc. All Rights Reserved. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



MCA 11/11 (PAGE 2 OF 2)

MARKET CONDITIONS ADVISORY (MCA PAGE 2 OF 2)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palm Dr., #9

# Exhibit 3

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

MANUFACTURED HOME ADVISORY  
ADDENDUM AND RELEASE  
(C.A.R. Form MHA, 4/07)

1. **PARTIES AND PROPERTY:** This is an addendum to the Manufactured Home Purchase Agreement and Joint Escrow Instructions ("Agreement"), dated September 28, 2017 on property known as 15300 Palm Dr., Desert Hot Springs, CA 92240 ("Property") between Calvin Schofield ("Buyer") and Calvin Schofield ("Seller"). Buyer is represented by Berkshire Hathaway HomeServices ("Broker or Dealer"). Seller is represented by The Dyson Companies ("Broker or Dealer").
2. **SALE OF USED MANUFACTURED HOME OR MOBILEHOME:** As provided in California Health and Safety Code §§18025 and 18046 and California Civil Code §1102, a used manufactured home or mobilehome may be sold in its present physical condition when using a real estate licensee or a dealer licensed under the Health and Safety Code so long as certain disclosures are made.
3. **OCCUPYING A USED MANUFACTURED HOME OR MOBILEHOME:** Even though a manufactured home or mobilehome may be sold in its present physical condition, the Mobilehome Parks Act (Health and Safety Code §§18200 through 18700) prohibits the occupancy of a manufactured home or mobilehome wherever located and any recreational vehicle located in a mobilehome park not meeting certain standards. Those standards are set forth in Health and Safety Code §18550 as follows: It is unlawful for any person to use or cause, or permit to be used for occupancy, any of the following manufactured homes or mobilehomes wherever the manufactured homes or mobilehomes are located, or recreational vehicles located in mobilehome parks:
- (a) Any manufactured home, mobilehome, or recreational vehicle supplied with fuel, gas, water, electricity, or sewage connections unless the connections and installations conform to regulations of the department.
  - (b) Any manufactured home, mobilehome, or recreational vehicle that is permanently attached with underpinning or foundation to the ground, except for a manufactured home or mobilehome bearing a department insignia or federal label, that is installed in accordance with this part.
  - (c) Any manufactured home or mobilehome that does not conform to the registration requirements of the department.
  - (d) Any manufactured home, mobilehome, or recreational vehicle in an unsafe or unsanitary condition.
  - (e) Any manufactured home, mobilehome, or recreational vehicle that is structurally unsound and does not protect its occupants against the elements.
4. **RELEASE AND HOLD HARMLESS:** Broker and Dealer recommend Buyer obtain an inspection to determine if the Property is in compliance with these requirements. Broker and Dealer do not have expertise in this area. Buyer agrees to: release, indemnify, defend and hold Broker, Dealer and Seller harmless from all claims, disputes, litigation, judgments, costs and attorney fees arising from Buyer's occupancy of the Property if it is in violation of Health and Safety Code §18550.

By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of this Manufactured Home Advisory Addendum and Release. Buyer and Seller are encouraged to read it carefully.

Date 09/28/2017

BUYER

Calvin Schofield

(Print name)

107 E Coeur d'Alene, Ave., Coeur d'Alene, ID 83814

(Address)

Date

SELLER

Charles Doff

(Print name)

(Address)

Real Estate Broker or Dealer (Selling Firm)

By Victor Yepello

Address 2905 Tahquitz Canyon Way

Telephone (760)660-0010

Real Estate Broker or Dealer (Listing Firm)

By Debbie Priebe

Address

Telephone

Fax

Date

BUYER

(Print name)

Date

SELLER

(Print name)

BRE or HCD Lic. # 01170031

Date 09/28/2017

State CA Zip 92262

E-mail

vic@vicandron.com

BRE or HCD Lic. #

Date

State

Zip

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 2007, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

MHA 4/07 (PAGE 1 OF 1)

Reviewed by

Date



MANUFACTURED HOME ADVISORY ADDENDUM AND RELEASE (MHA PAGE 1 OF 1)

Berkshire Hathaway HomeService, 2905 Tahquitz Canyon Way Palm Springs, CA 92262  
Victor Yepello

Phone: 760.660.0010

Fax: 760.308.6776

15300 Palm Dr., #9

Produced with zipForm® by ziplogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

Exhibit 3

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**WATER HEATER AND SMOKE DETECTOR  
STATEMENT OF COMPLIANCE**  
(C.A.R. Form WHSD, Revised 11/10)

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

NOTE: A seller who is not required to provide one of the following statements of compliance is not necessarily exempt from the obligation to provide the other statement of compliance.

**WATER HEATER STATEMENT OF COMPLIANCE**

1. **STATE LAW:** California Law requires that all new and replacement water heaters and existing residential water heaters be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion. "Water heater" means any standard water heater with a capacity of no more than 120 gallons for which a pre-engineered strapping kit is readily available. (Health and Safety Code §19211d). Although not specifically stated, the statute requiring a statement of compliance does not appear to apply to a properly installed and bolted tankless water heater for the following reasons: There is no tank that can overturn; Pre-engineered strapping kits for such devices are not readily available; and Bolting already exists that would help avoid displacement or breakage in the event of an earthquake.
2. **LOCAL REQUIREMENTS:** Some local ordinances impose more stringent water heater bracing, anchoring or strapping requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable water heater bracing, anchoring or strapping requirements for your property.
3. **TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code §19211 requires the seller of any real property containing a water heater to certify, in writing, that the seller is in compliance with California State Law. If the Property is a manufactured or mobile home, Seller shall also file a required Statement with the Department of Housing and Community Development.
4. **CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code §19211 by having the water heater(s) braced, anchored or strapped in place, in accordance with those requirements.

Seller/Landlord OK TRUSTEE Date 10/6/17  
(Signature) (Print Name)

Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

The undersigned hereby acknowledges receipt of a copy of this document.

Buyer/Tenant Calvin Schofield Date 09/28/2017  
(Signature) (Print Name)

Buyer/Tenant \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

**SMOKE DETECTOR STATEMENT OF COMPLIANCE**

1. **STATE LAW:** California Law requires that (I) every single-family dwelling and factory built housing unit sold on or after January 1, 1986, must have an operable smoke detector, approved and listed by the State Fire Marshal, installed in accordance with the State Fire Marshal's regulations (Health and Safety Code §13113.8) and (II) all used manufactured or mobilehomes have an operable smoke detector in each sleeping room.
2. **LOCAL REQUIREMENTS:** Some local ordinances impose more stringent smoke detector requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable smoke detector requirements for your property.
3. **TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code §13113.8(b) requires every transferor of any real property containing a single-family dwelling, whether the transfer is made by sale, exchange, or real property sales contract (installment sales contract), to deliver to the transferee a written statement indicating that the transferor is in compliance with California State Law concerning smoke detectors. If the Property is a manufactured or mobile home, Seller shall also file a required Statement with the Department of Housing and Community Development (HCD).
4. **EXCEPTIONS:** Generally, a written statement of smoke detector compliance is not required for transactions for which the Seller is exempt from providing a transfer disclosure statement.
5. **CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with the law by having operable smoke detector(s) (I) approved and listed by the State Fire Marshal installed in accordance with the State Fire Marshal's regulations Health and Safety Code §13113.8 or (II) in compliance with Manufactured Housing Construction and Safety Act (Health and Safety Code §18029.6) located in each sleeping room for used manufactured or mobilehomes as required by HCD and (III) in accordance with applicable local ordinance(s).

Seller/Landlord OK TRUSTEE Date 10/6/17  
(Signature) (Print Name)

Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

The undersigned hereby acknowledge(s) receipt of a copy of this Water Heater and Smoke Detector Statement of Compliance.

Buyer/Tenant Calvin Schofield Date 09/28/2017  
(Signature) (Print Name)

Buyer/Tenant \_\_\_\_\_ Date \_\_\_\_\_  
(Signature) (Print Name)

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1991-2010 CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®, REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



WHSD REVISED 11/10 (PAGE 1 OF 1)

**WATER HEATER AND SMOKE DETECTOR STATEMENT OF COMPLIANCE (WHSD PAGE 1 OF 1)**

Berkshire Hathaway HomeServices, 2905 Tahquilt Canyon Way Palm Springs, CA 92262 Phone: 760.560.0010 Fax: 760.308.6776 15300 Palm Dr., #9  
Victor Yepello Produced with zipiform by zipiform 18070 Fifteen Mile Road, Fraser, Michigan 48925 www.zipiform.com

**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



CALIFORNIA  
ASSOCIATION  
OF REALTORS

## DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP

(Selling Firm to Buyer)  
(As required by the Civil Code)  
(C.A.R. Form AD, Revised 12/14)

☐ (If checked) This form is being provided in connection with a transaction for a leasehold interest exceeding one year as per Civil Code section 2079.13(k) and (m).

When you enter into a discussion with a real estate agent regarding a real estate transaction, you should from the outset understand what type of agency relationship or representation you wish to have with the agent in the transaction.

### SELLER'S AGENT

A Seller's agent under a listing agreement with the Seller acts as the agent for the Seller only. A Seller's agent or a subagent of that agent has the following affirmative obligations:

To the Seller: A Fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Seller.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties. An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### BUYER'S AGENT

A selling agent can, with a Buyer's consent, agree to act as agent for the Buyer only. In these situations, the agent is not the Seller's agent, even if by agreement the agent may receive compensation for services rendered, either in full or in part from the Seller. An agent acting only for a Buyer has the following affirmative obligations:

To the Buyer: A fiduciary duty of utmost care, integrity, honesty and loyalty in dealings with the Buyer.

To the Buyer and the Seller:

- (a) Diligent exercise of reasonable skill and care in performance of the agent's duties.
- (b) A duty of honest and fair dealing and good faith.
- (c) A duty to disclose all facts known to the agent materially affecting the value or desirability of the property that are not known to, or within the diligent attention and observation of, the parties.

An agent is not obligated to reveal to either party any confidential information obtained from the other party that does not involve the affirmative duties set forth above.

### AGENT REPRESENTING BOTH SELLER AND BUYER

A real estate agent, either acting directly or through one or more associate licensees, can legally be the agent of both the Seller and the Buyer in a transaction, but only with the knowledge and consent of both the Seller and the Buyer.

In a dual agency situation, the agent has the following affirmative obligations to both the Seller and the Buyer:

- (a) A fiduciary duty of utmost care, integrity, honesty and loyalty in the dealings with either the Seller or the Buyer.
- (b) Other duties to the Seller and the Buyer as stated above in their respective sections.

In representing both Seller and Buyer, the agent may not, without the express permission of the respective party, disclose to the other party that the Seller will accept a price less than the listing price or that the Buyer will pay a price greater than the price offered.

The above duties of the agent in a real estate transaction do not relieve a Seller or Buyer from the responsibility to protect his or her own interests. You should carefully read all agreements to assure that they adequately express your understanding of the transaction. A real estate agent is a person qualified to advise about real estate. If legal or tax advice is desired, consult a competent professional.

Throughout your real property transaction you may receive more than one disclosure form, depending upon the number of agents assisting in the transaction. The law requires each agent with whom you have more than a casual relationship to present you with this disclosure form. You should read its contents each time it is presented to you, considering the relationship between you and the real estate agent in your specific transaction. This disclosure form includes the provisions of Sections 2079.13 to 2079.24, inclusive, of the Civil Code set forth on page 2. Read it carefully. I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS DISCLOSURE AND THE PORTIONS OF THE CIVIL CODE PRINTED ON THE BACK (OR A SEPARATE PAGE).

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant Calvin Schofield Date 09-28-2017

☐ Buyer ☐ Seller ☐ Landlord ☐ Tenant \_\_\_\_\_ Date \_\_\_\_\_

Agent Berkshire Hathaway HomeServices BRE Lic. # 01170031  
By Victor Yepello Real Estate Broker (Firm)  
(Salesperson or Broker-Associate) Victor Yepello BRE Lic. # 01724773 Date 09-28-2017

#### Agency Disclosure Compliance (Civil Code §2079.14):

- When the listing brokerage company also represents Buyer/Tenant: The Listing Agent shall have one AD form signed by Seller/Landlord and a different AD form signed by Buyer/Tenant.
- When Seller/Landlord and Buyer/Tenant are represented by different brokerage companies: (i) the Listing Agent shall have one AD form signed by Seller/Landlord and (ii) the Buyer's/Tenant's Agent shall have one AD form signed by Buyer/Tenant and either that same or a different AD form presented to Seller/Landlord for signature prior to presentation of the offer. If the same form is used, Seller may sign here:

Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_ Seller/Landlord \_\_\_\_\_ Date \_\_\_\_\_

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1991-2010, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

AD REVISED 12/14 (PAGE 1 OF 2)

### DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 1 OF 2)

Berkshire Hathaway HomeServices, 2905 Tequilita Canyon Way Palm Springs, CA 92262 Phone: 760.660.0010 Fax: 760.308-6776 15300 Palm Dr. #9  
Victor Yepello Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48028 www.zipLogix.com



# Exhibit 3

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

**CIVIL CODE SECTIONS 2079.24 (2079.16 APPEARS ON THE FRONT)**

**2079.13** As used in Sections 2079.14 to 2079.24, inclusive, the following terms have the following meanings: (a) "Agent" means a person acting under provisions of Title 9 (commencing with Section 2295) in a real property transaction, and includes a person who is licensed as a real estate broker under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, and under whose license a listing is executed or an offer to purchase is obtained. (b) "Associate licensee" means a person who is licensed as a real estate broker or salesperson under Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code and who is either licensed under a broker or has entered into a written contract with a broker to act as the broker's agent in connection with acts requiring a real estate license and to function under the broker's supervision in the capacity of an associate licensee. The agent in the real property transaction bears responsibility for his or her associate licensees who perform as agents of the agent. When an associate licensee owes a duty to any principal, or to any buyer or seller who is not a principal, in a real property transaction, that duty is equivalent to the duty owed to that party by the broker for whom the associate licensee functions. (c) "Buyer" means a transferee in a real property transaction, and includes a person who executes an offer to purchase real property from a seller through an agent, or who seeks the services of an agent in more than a casual, transitory, or preliminary manner, with the object of entering into a real property transaction. "Buyer" includes vendee or lessee. (d) "Commercial real property" means all real property in the state, except single-family residential real property, dwelling units made subject to Chapter 2 (commencing with Section 1940) of Title 5, mobilehomes, as defined in Section 798.3, or recreational vehicles, as defined in Section 799.29. (e) "Dual agent" means an agent acting, either directly or through an associate licensee, as agent for both the seller and the buyer in a real property transaction. (f) "Listing agreement" means a contract between an owner of real property and an agent, by which the agent has been authorized to sell the real property or to find or obtain a buyer. (g) "Listing agent" means a person who has obtained a listing of real property to act as an agent for compensation. (h) "Listing price" is the amount expressed in dollars specified in the listing for which the seller is willing to sell the real property through the listing agent. (i) "Offering price" is the amount expressed in dollars specified in an offer to purchase for which the buyer is willing to buy the real property. (j) "Offer to purchase" means a written contract executed by a buyer acting through a selling agent that becomes the contract for the sale of the real property upon acceptance by the seller. (k) "Real property" means any estate specified by subdivision (1) or (2) of Section 761 in property that constitutes or is improved with one to four dwelling units, any commercial real property, any leasehold in these types of property exceeding one year's duration, and mobilehomes, when offered for sale or sold through an agent pursuant to the authority contained in Section 10131.6 of the Business and Professions Code. (l) "Real property transaction" means a transaction for the sale of real property in which an agent is employed by one or more of the principals to act in that transaction, and includes a listing or an offer to purchase. (m) "Sell," "sale," or "sold" refers to a transaction for the transfer of real property from the seller to the buyer, and includes exchanges of real property between the seller and buyer, transactions for the creation of a real property sales contract within the meaning of Section 2985, and transactions for the creation of a leasehold exceeding one year's duration. (n) "Seller" means the transferor in a real property transaction, and includes an owner who lists real property with an agent, whether or not a transfer results, or who receives an offer to purchase real property of which he or she is the owner from an agent on behalf of another. "Seller" includes both a vendor and a lessor. (o) "Selling agent" means a listing agent who acts alone, or an agent who acts in cooperation with a listing agent, and who sells or finds and obtains a buyer for the real property, or an agent who locates property for a buyer or who finds a buyer for a property for which no listing exists and presents an offer to purchase to the seller. (p) "Subagent" means a person to whom an agent delegates agency powers as provided in Article 5 (commencing with Section 2349) of Chapter 1 of Title 9. However, "subagent" does not include an associate licensee who is acting under the supervision of an agent in a real property transaction.

**2079.14** Listing agents and selling agents shall provide the seller and buyer in a real property transaction with a copy of the disclosure form specified in Section 2079.16, and, except as provided in subdivision (c), shall obtain a signed acknowledgement of receipt from that seller or buyer, except as provided in this section or Section 2079.15, as follows: (a) The listing agent, if any, shall provide the disclosure form to the seller prior to entering into the listing agreement. (b) The selling agent shall provide the disclosure form to the seller as soon as practicable prior to presenting the seller with an offer to purchase, unless the selling agent previously provided the seller with a copy of the disclosure form pursuant to subdivision (a). (c) Where the selling agent does not deal on a face-to-face basis with the seller, the disclosure form prepared by the selling agent may be furnished to the seller (and acknowledgement of receipt obtained from the selling agent from the seller) by the listing agent, or the selling agent may deliver the disclosure form by certified mail addressed to the seller at his or her last known address, in which case no signed acknowledgement of receipt is required. (d) The selling agent shall provide the disclosure form to the buyer as soon as practicable prior to execution of the buyer's offer to purchase, except that if the offer to purchase is not prepared by the selling agent, the selling agent shall present the disclosure form to the buyer not later than the next business day after the selling agent receives the offer to purchase from the buyer.

**2079.15** In any circumstance in which the seller or buyer refuses to sign an acknowledgement of receipt pursuant to Section 2079.14, the agent, or an associate licensee acting for an agent, shall set forth, sign, and date a written declaration of the facts of the refusal.

**2079.16** Reproduced on Page 1 of this AD form.

**2079.17** (a) As soon as practicable, the selling agent shall disclose to the buyer and seller whether the selling agent is acting in the real property transaction exclusively as the buyer's agent, exclusively as the seller's agent, or as a dual agent representing both the buyer and the seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller, the buyer, and the selling agent prior to or coincident with execution of that contract by the buyer and the seller, respectively. (b) As soon as practicable, the listing agent shall disclose to the seller whether the listing agent is acting in the real property transaction exclusively as the seller's agent, or as a dual agent representing both the buyer and seller. This relationship shall be confirmed in the contract to purchase and sell real property or in a separate writing executed or acknowledged by the seller and the listing agent prior to or coincident with the execution of that contract by the seller.

(c) The confirmation required by subdivisions (a) and (b) shall be in the following form.

(DO NOT COMPLETE. SAMPLE ONLY)

is the agent of (check one): ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Listing Agent)

(DO NOT COMPLETE. SAMPLE ONLY)

is the agent of (check one): ☐ the buyer exclusively; or ☐ the seller exclusively; or ☐ both the buyer and seller.

(Name of Selling Agent if not the same as the Listing Agent)

(d) The disclosures and confirmation required by this section shall be in addition to the disclosure required by Section 2079.14.

**2079.18** No selling agent in a real property transaction may act as an agent for the buyer only, when the selling agent is also acting as the listing agent in the transaction.

**2079.19** The payment of compensation or the obligation to pay compensation to an agent by the seller or buyer is not necessarily determinative of a particular agency relationship between an agent and the seller or buyer. A listing agent and a selling agent may agree to share any compensation or commission paid, or any right to any compensation or commission for which an obligation arises as the result of a real estate transaction, and the terms of any such agreement shall not necessarily be determinative of a particular relationship.

**2079.20** Nothing in this article prevents an agent from selecting, as a condition of the agent's employment, a specific form of agency relationship not specifically prohibited by this article if the requirements of Section 2079.14 and Section 2079.17 are complied with.

**2079.21** A dual agent shall not disclose to the buyer that the seller is willing to sell the property at a price less than the listing price, without the express written consent of the seller. A dual agent shall not disclose to the seller that the buyer is willing to pay a price greater than the offering price, without the express written consent of the buyer. This section does not alter in any way the duty or responsibility of a dual agent to any principal with respect to confidential information other than price.

**2079.22** Nothing in this article precludes a listing agent from also being a selling agent, and the combination of these functions in one agent does not, of itself, make that agent a dual agent.

**2079.23** A contract between the principal and agent may be modified or altered to change the agency relationship at any time before the performance of the act which is the object of the agency with the written consent of the parties to the agency relationship.

**2079.24** Nothing in this article shall be construed to either diminish the duty of disclosure owed buyers and sellers by agents and their associate licensees, subagents, and employees or to relieve agents and their associate licensees, subagents, and employees from liability for their conduct in connection with acts governed by this article or for any breach of a fiduciary duty or a duty of disclosure.



Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

AD REVISED 12/14 (PAGE 2 OF 2)

**DISCLOSURE REGARDING REAL ESTATE AGENCY RELATIONSHIP (AD PAGE 2 OF 2)**

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48066 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palms Dr., #9

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER  
OR SELLER - DISCLOSURE AND CONSENT**

(C.A.R. Form PRBS, 11/14)

A real estate broker (Broker), whether a corporation, partnership or sole proprietorship, may represent more than one buyer or seller. This multiple representation can occur through an individual licensed as a broker or salesperson or through different individual broker's or salespersons (associate licensees) acting under the Broker's license. The associate licensees may be working out of the same or different office locations.

**Multiple Buyers:** Broker (individually or through its associate licensees) may be working with many prospective buyers at the same time. These prospective buyers may have an interest in, and make offers on, the same properties. Some of these properties may be listed with Broker and some may not. Broker will not limit or restrict any particular buyer from making an offer on any particular property whether or not Broker represents other buyers interested in the same property.

**Multiple Sellers:** Broker (individually or through its associate licensees) may have listings on many properties at the same time. As a result, Broker will attempt to find buyers for each of those listed properties. Some listed properties may appeal to the same prospective buyers. Some properties may attract more prospective buyers than others. Some of these prospective buyers may be represented by Broker and some may not. Broker will market all listed properties to all prospective buyers whether or not Broker has another or other listed properties that may appeal to the same prospective buyers.

**Dual Agency:** If Seller is represented by Broker, Seller acknowledges that broker may represent prospective buyers of Seller's property and consents to Broker acting as a dual agent for both seller and buyer in that transaction. If Buyer is represented by Broker, buyer acknowledges that Broker may represent sellers of property that Buyer is interested in acquiring and consents to Broker acting as a dual agent for both buyer and seller with regard to that property.

In the event of dual agency, seller and buyer agree that: (a) Broker, without the prior written consent of the Buyer, will not disclose to seller that the Buyer is willing to pay a price greater than the offered price; (b) Broker, without the prior written consent of the seller, will not disclose to the buyer that seller is willing to sell property at a price less than the listing price; and (c) other than as set forth in (a) and (b) above, a dual agent is obligated to disclose known facts materially affecting the value or desirability of the property to both parties.

**Offers not necessarily confidential:** Buyer is advised that seller or listing agent may disclose the existence, terms, or conditions of buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the listing agent's marketing strategy and the instructions of the seller.

Buyer and seller understand that Broker may represent more than one buyer or more than one seller and even both buyer and seller on the same transaction and consents to such relationships.

**Seller and/or Buyer acknowledges reading and understanding this Possible Representation of More Than One Buyer or Seller - Disclosure and Consent and agrees to the agency possibilities disclosed.**

Seller [Signature] Date 10/6/17  
 Seller [Signature] Date \_\_\_\_\_  
 Buyer Calvin Schofield Date 09-28-2017  
 Buyer [Signature] Date \_\_\_\_\_  
 Real Estate Broker (Firm) The Dyson Companies CalBRE Lic # \_\_\_\_\_ Date \_\_\_\_\_  
 By Debbie Priebe CalBRE Lic # 01738826 Date \_\_\_\_\_  
 Real Estate Broker (Firm) Berkshire Hathaway HomeServices CalBRE Lic # 01170031 Date \_\_\_\_\_  
 By Victor Yepello CalBRE Lic # 01724773 Date 09-28-2017  
Victor Yepello

© 2014, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. This form is made available to real estate professionals through an agreement with or purchase from the California Association of REALTORS®. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



PRBS 11/14 (PAGE 1 OF 1)

**POSSIBLE REPRESENTATION OF MORE THAN ONE BUYER OR SELLER (PRBS PAGE 1 OF 1)**

Berkshire Hathaway HomeServices, 2905 Laquinta Canyon Way Palm Springs, CA 92262 Phone 760.660.0010 Fax 760.308.6776 15300 Palm Dr. 29  
 Victor Yepello Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

**Exhibit 3**



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**MANUFACTURED HOME PURCHASE AGREEMENT  
AND JOINT ESCROW INSTRUCTIONS**

(C.A.R. Form MHPA, Revised 11/14)

Date Prepared: September 28, 2017

**1. OFFER:**

- A. THIS IS AN OFFER FROM Calvin Schofield ("Buyer").  
B. THE MANUFACTURED HOME to be acquired is described in 1E and F below ("Property").  
C. THE PURCHASE PRICE offered is Eighty-Five Thousand

Dollars \$ 85,000.00

D. CLOSE OF ESCROW shall occur on ☐ (date) (or ☒ 30 Days After Acceptance).

E. TYPE OF MANUFACTURED HOME: (Check the box below that applies: paragraphs (1)(a), (1)(b) or (2). Check ONLY one.)

(1) PERSONAL PROPERTY MANUFACTURED HOME:

(a) ☐ A Manufactured Home On Leased Or Rented Land (complete paragraph F).

Space Number \_\_\_\_\_

Park Name \_\_\_\_\_

Park Address \_\_\_\_\_ (City) \_\_\_\_\_ (County), California \_\_\_\_\_ (Zip Code)

OR (b) ☒ A Manufactured Home To Be Sold With Real Property (complete paragraph F). Real Property situated in

Desert Hot Springs (City) Riverside (County), California 92240 (Zip Code)

Assessor's Parcel No. \_\_\_\_\_

PURCHASE PRICE ALLOCATED AS FOLLOWS: Manufactured Home \$ 35,000.00, Land \$ 50,000.00

OR (2) ☐ A REAL PROPERTY MANUFACTURED HOME (complete applicable parts of paragraph F) situated in

\_\_\_\_\_ (City) \_\_\_\_\_ (County), California \_\_\_\_\_ (Zip Code)

Assessor's Parcel No. \_\_\_\_\_

A real property manufactured home is one that meets the following requirements: (i) a building permit is obtained from local authorities pursuant to Health and Safety Code §18551; (ii) the manufactured home is affixed to a foundation pursuant to Health and Safety Code §18551; (iii) a certificate of occupancy is issued by local authorities; and (iv) there is recordation with the local authorities of a form pursuant to Health and Safety Code §18551.

**F. ADDITIONAL DESCRIPTION:**

Manufacturer's Name \_\_\_\_\_ Model \_\_\_\_\_ Date Of Manufacture 1986

Date Of First Sale \_\_\_\_\_

Property is: ☐ On Local Property Tax Roll, ☐ Department of Housing and Community Development ("HCD") registered (use tax may apply)

Approximate Width \_\_\_\_\_ Approximate Length \_\_\_\_\_ (Without Hitch) Expando Size \_\_\_\_\_

HCD/HUD License/Decal Number: \_\_\_\_\_

SERIAL NUMBERS: 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

HCD/HUD Label/Insignia: 1. \_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_

G. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

**2. AGENCY:**

A. DISCLOSURE: The Parties each acknowledge receipt of a ☒ "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).

B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:

Listing Agent The Dyson Companies (Print Firm Name) is the agent of (check one):

☒ the Seller exclusively; or ☐ both the Buyer and Seller.

Selling Agent Berkshire Hathaway HomeServices (Print Firm Name) (if not the same as the

Listing Agent) is the agent of (check one): ☒ the Buyer exclusively; or ☐ the Seller exclusively; or ☐ both the Buyer and Seller.

C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a ☒ "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

**3. FINANCE TERMS:** Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 2,550.00

(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, ☐ cashier's check, ☐ personal check, ☐ other \_\_\_\_\_ within 3 business days after Acceptance (or \_\_\_\_\_);

OR (2) ☐ Buyer Deposit with Agent: Buyer has given the deposit by personal check (or \_\_\_\_\_) to the agent submitting the offer (or to \_\_\_\_\_), made payable to

\_\_\_\_\_. The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or \_\_\_\_\_).

Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ \_\_\_\_\_ within \_\_\_\_\_ Days After Acceptance (or \_\_\_\_\_).

If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

C. ☐ ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or ☐ Buyer shall, within 3 (or \_\_\_\_\_) Days After Acceptance, Deliver to Seller such verification.

Buyer's Initials ( CS ) ( \_\_\_\_\_ )

Seller's Initials ( CS ) ( \_\_\_\_\_ )

©2014, California Association of REALTORS®, Inc.

MHPA REVISED 11/14 (PAGE 1 OF 11)

**MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 1 OF 11)**

Berkshire Hathaway HomeServices, 2905 Tahquitz Canyon Way Palm Springs, CA 92262

Phone: 760.660.0010

Fax: 760.308.6776

15300 Palm Dr., #9

Victor Yepello

Produced with eForm by eSign - 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.eSign.com



**Exhibit 3**



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

**D. LOAN(S):**

- (1) **FIRST LOAN:** in the amount of ..... \$ 53,483.00  
This loan will be conventional financing or ☐ FHA, ☐ VA, ☐ Seller financing (C.A.R. Form SFA),  
☐ assumed financing (C.A.R. Form AFA), ☐ Other \_\_\_\_\_. This loan shall be at a fixed  
rate not to exceed 8.000 % or, ☐ an adjustable rate loan with initial rate not to exceed \_\_\_\_%.  
Regardless of the type of loan, Buyer shall pay points not to exceed \_\_\_\_% of the loan amount.
- (2) ☐ **SECOND LOAN** in the amount of ..... \$ \_\_\_\_\_  
This loan will be conventional financing or ☐ Seller financing (C.A.R. Form SFA), ☐ assumed  
financing (C.A.R. Form AFA), ☐ Other \_\_\_\_\_. This loan shall be at a fixed rate not to  
exceed \_\_\_\_% or, ☐ an adjustable rate loan with initial rate not to exceed \_\_\_\_%. Regardless of  
the type of loan, Buyer shall pay points not to exceed \_\_\_\_% of the loan amount.
- (3) **FHA/VA:** For any FHA or VA loan specified in 3D(1), Buyer has 17 (or \_\_\_\_ ) Days After Acceptance  
to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that  
Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender  
requirements unless agreed in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a  
part of this transaction.

**E. ADDITIONAL FINANCING TERMS:** \_\_\_\_\_

**F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of ..... \$ 28,967.00  
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

**G. PURCHASE PRICE (TOTAL):** ..... \$ 85,000.00

**H. ADDITIONAL SELLER FINANCING TERMS:** The following terms apply ONLY to financing of a personal property manufactured  
home extended by Seller under this Agreement. Buyer's security agreement and other appropriate documents shall incorporate  
and implement the following additional terms: (i) a clause requiring Buyer to comply with the terms of any rental/lease agreement  
entered into between Buyer and Park Owner/Landlord/Homeowners' Association ("HOA") and to deliver to Seller a Copy of any  
modifications to the rental/lease agreement within 30 days of Buyer's receipt; (ii) a clause requiring Buyer to provide Seller a  
written 30-day notice prior to relocating the Property; and (iii) a clause prohibiting Buyer from installing the manufactured home  
on a permanent foundation system or otherwise affixing the manufactured home to land in any way that could alter its legal  
character as personal property, without Seller's prior written consent.

**I. ASSUMPTION:** IF THIS IS AN ASSUMPTION OF A VA OR CAL VET LOAN, THE SALE IS CONTINGENT UPON SELLER  
RECEIVING A RELEASE OF LIABILITY AND SUBSTITUTION OF ELIGIBILITY, UNLESS OTHERWISE AGREED IN WRITING.

**J. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3L(1))  
shall, within 3 (or \_\_\_\_ ) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs.  
(☒ Verification attached.)

**K. APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or ☐ is NOT) contingent upon a written appraisal of the  
Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 16B(3), in  
writing, remove the appraisal contingency or cancel this Agreement within 17 (or \_\_\_\_ ) Days After Acceptance.

**L. LOAN TERMS:**

(1) **LOAN APPLICATIONS:** Within 3 (or \_\_\_\_ ) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or  
loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved  
for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification  
or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (☒ Letter attached.)

(2) **LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the  
loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or  
the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle  
Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's  
contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) **LOAN CONTINGENCY REMOVAL:**

Within 21 (or \_\_\_\_ ) Days After Acceptance, Buyer shall, as specified in paragraph 16, in writing, remove the loan contingency or  
cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the  
appraisal contingency.

(4) ☐ **NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not  
obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) **LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to  
by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender  
Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable  
Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to  
the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

**M. BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not  
limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a  
specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall  
pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any  
financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer  
from the obligation to purchase the Property and close escrow as specified in this Agreement.

Buyer's Initials ( AS ) ( \_\_\_\_\_ )

Seller's Initials ( CD ) ( \_\_\_\_\_ )

MHPA REVISED 11/14 (PAGE 2 OF 11)

MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 2 OF 11)

Produced with zipForm9 by ziplogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

15300 Palm Dr. #9



**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

CAUTION: Obligations secured by mixed collateral (i.e., both personal and real property) are subject to complex rules and court decisions under the California Civil Code, Commercial Code and Code of Civil Procedure. Buyer and Seller are strongly cautioned to consult legal counsel in connection with the securing and enforcement of any such obligations.

4. SALE OF BUYER'S PROPERTY:

- A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.  
OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

5. ADDENDA AND ADVISORIES:

|  |  |
|--|--|
| A. ADDENDA:  | Addendum # (C.A.R. Form ADM)   |
| <input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO)                          | <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA)                     |
| <input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)    |  |
| <input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA)                             | <input type="checkbox"/> Other   |
| B. BUYER AND SELLER ADVISORIES:  | <input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)          |
| <input type="checkbox"/> Probate Advisory (C.A.R. Form PAK)                                | <input checked="" type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA) |
| <input type="checkbox"/> Trust Advisory (C.A.R. Form TA)                                   | <input type="checkbox"/> REO Advisory (C.A.R. Form REO)                                    |
| <input checked="" type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA) | <input type="checkbox"/> Other   |

6. OTHER TERMS:

Trustee has no personal knowledge of the property or its condition

7. ALLOCATION OF COSTS

A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.

- (1) ☐ Buyer ☐ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: \_\_\_\_\_ prepared by Click here to select your Service Provider

- (2) ☐ Buyer ☐ Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

- (3) ☐ Buyer ☐ Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

- (1) ☐ Buyer ☐ Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.  
(2) (i) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.  
(ii) ☐ Buyer ☐ Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.  
(iii) Buyer shall be provided, within the time specified in paragraph 15A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

C. ESCROW AND TITLE:

- (1) (a) ☒ Buyer ☒ Seller shall pay escrow fee Each to pay their own  
(b) Escrow Holder shall be Seller's Choice  
(c) The Parties shall, within 5 (or \_\_\_\_\_) Days After receipt, sign and return Escrow Holder's general provisions.  
(2) (a) ☐ Buyer ☒ Seller shall pay for owner's title insurance policy specified in paragraph 15E  
(b) Owner's title policy to be issued by \_\_\_\_\_  
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) ☐ Buyer ☒ Seller shall pay County transfer tax or fee \_\_\_\_\_  
(2) ☐ Buyer ☐ Seller shall pay City transfer tax or fee \_\_\_\_\_  
(3) ☒ Buyer ☒ Seller shall pay Homeowners' Association ("HOA") transfer fee \_\_\_\_\_  
(4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.  
(5) ☒ Buyer ☒ Seller shall pay HOA fees for preparing documents other than those required by Civil Code §4525  
(6) Buyer to pay for any HOA certification fee.  
(7) ☐ Buyer ☐ Seller shall pay for any private transfer fee \_\_\_\_\_  
(8) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_  
(9) ☐ Buyer ☐ Seller shall pay for \_\_\_\_\_  
(10) ☐ Buyer ☐ Seller shall pay for the cost, not to exceed \$ \_\_\_\_\_, of a standard (or ☐ upgraded) one-year home warranty plan, issued by \_\_\_\_\_, with the following optional coverages: ☐ Air Conditioner ☐ Pool/Spa ☐ Other: \_\_\_\_\_  
Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.  
OR ☒ Buyer waives the purchase of a home warranty policy. Nothing in this paragraph precludes Buyer's purchasing a home warranty policy during the term of the Agreement.

Buyer's Initials ( AS ) ( \_\_\_\_\_ )

Seller's Initials ( CD ) ( \_\_\_\_\_ )

MHPA REVISED 11/14 (PAGE 3 OF 11)



MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 3 OF 11)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.ziplogix.com

15300 Palm Dr., #9

Exhibit 3

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

(1) ☐ Buyer ☒ Seller shall pay the cost of upgrades required by Park/Landlord/HOA as a condition of Buyer's tenancy or occupancy

8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:

A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in paragraph 8B or C.

B. ITEMS INCLUDED IN SALE:

- (1) All EXISTING fixtures and fittings that are attached to the Property;  
(2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers, security systems/alarms and the following if checked: ☒ all stove(s), except \_\_\_\_\_; ☒ all refrigerator(s) except \_\_\_\_\_; ☒ all washer(s) and dryer(s), except \_\_\_\_\_

(3) The following additional items: the seller has no personal knowledge of property

(4) Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are ( ☐ are NOT) included in the sale.

(5) LEASED OR LIENED ITEMS AND SYSTEMS: Seller shall, within the time specified in paragraph 16A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 16B and C.

(6) Seller represents that all items included in the purchase price, unless otherwise specified, (i) are owned by Seller and shall be transferred free and clear of liens and encumbrances, except the items and systems identified pursuant to 8B(4) and \_\_\_\_\_, and (ii) are transferred without Seller warranty regardless of value.

C. ITEMS EXCLUDED FROM SALE: Unless otherwise specified, the following items are excluded from sale: (i) audio and video components (such as flat screen TVs, speakers and other items) if any such item is not itself attached to the Property, even if a bracket or other mechanism attached to the component or item is attached to the Property; (ii) furniture and other items secured to the Property for earthquake purposes; and (iii) \_\_\_\_\_

\_\_\_\_\_, Brackets attached to walls, floors or ceilings for any such component, furniture or item shall remain with the Property (or ☐ will be removed and holes or other damage shall be repaired, but not painted).

9. CLOSING AND POSSESSION:

A. Buyer intends (or ☐ does not intend) to occupy the Property as Buyer's primary residence.

B. Seller-occupied or vacant property: Possession shall be delivered to Buyer: (i) ☐ at 6 PM or ( ☐ AM/ ☐ PM) on the date of Close Of Escrow; (ii) ☐ no later than \_\_\_\_\_ calendar days after Close Of Escrow; or (iii) ☐ at \_\_\_\_\_ AM/ ☐ PM on \_\_\_\_\_

C. Seller Remaining In Possession After Close Of Escrow: If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as ☐ C.A.R. Form SIP, for Seller continued occupancy of less than 30 days, ☐ C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.

D. Tenant-occupied property: Property shall be vacant at least 5 (or \_\_\_\_\_) Days Prior to Close Of Escrow, unless otherwise agreed in writing. Note to Seller: If you are unable to deliver Property vacant in accordance with rent control and other applicable Law, you may be in breach of this Agreement.

OR ☐ Tenant to remain in possession (C.A.R. Form TIP).

E. At Close Of Escrow: (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale; and (ii) Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.

F. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

10. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:

A. (1) Seller shall, within the time specified in paragraph 16A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Manufactured Home Transfer Disclosure Statement ("MHTDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or SSD) and if the Property is or includes real property, a Real Estate Transfer Disclosure Statement ("TDS").

(2) Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Listing Agent, if any, has completed and signed the Listing Broker section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Broker, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Broker.

Buyer's Initials ( AS ) ( \_\_\_\_\_ )  
MHPA REVISED 11/14 (PAGE 4 OF 11)

Seller's Initials ( CS ) ( \_\_\_\_\_ )



MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 4 OF 11)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

15300 Palm Dr. #9

Exhibit 3

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

(3) Note to Buyer and Seller: Waiver of Statutory and Lead Disclosures is prohibited by Law.

(4) Within the time specified in paragraph 16A, (i) Seller, unless exempt from the obligation to provide a MHTDS, shall, within the time specified in paragraph 16A, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ); (ii) if Seller is not required to provide a MHTDS, Seller shall complete and provide Buyer with a Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD).

(5) Buyer shall, within the time specified in paragraph 16B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.

(6) In the event Seller or Listing Broker, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.

(7) If any disclosure or notice specified in paragraph 10A(1), or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within 3 Days After Delivery in person, or 5 Days After Delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent.

B. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 15A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet, and home energy rating pamphlet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. WITHHOLDING TAXES: Within the time specified in paragraph 16A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).

D. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

E. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:

(1) SELLER HAS: 7 (or \_\_\_\_\_) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or SSD).

(2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 (or \_\_\_\_\_) Days After Acceptance to request from the HOA (C.A.R. Form HOA1) and, if specified in paragraph 7, deposit funds into escrow to pay for:

(i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 16B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

11. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE: Within the time specified in paragraph 16, Seller shall Deliver to Buyer, in writing, the following disclosure documentation and information:

A. REAL PROPERTY MANUFACTURED HOME: Manufactured homes, even when converted to real property, must comply with HCD permit and approval requirements for alterations and/or repairs. If known to Seller, Seller shall disclose any alterations or repairs done without HCD permits or approvals.

B. ADDITIONAL REAL PROPERTY DISCLOSURES: If the Property is or includes real property, Seller shall disclose to Buyer the existence of any of the following items of which Seller has actual knowledge: (i) whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295); (ii) whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6); (iii) the presence of endangered, threatened, "candidate" species or wetlands on the Property; (iv) any features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property; and (v) any abandoned mining operations on the Property.

C. SMOKE DETECTOR: Available manufacturer's information describing the operation, method and frequency of testing, and proper maintenance for any smoke alarm.

12. RESIDENCY APPLICATION; PARK RULES: (i) If the Property is located on leased or rented land, obtaining residency approval is a contingency of this Agreement. Buyer shall, within 5 (or \_\_\_\_\_) Days After Acceptance, submit a residency application to Park/Landlord/HOA. Buyer acknowledges that Seller is not assigning or subletting the space the manufactured home occupies in its present location. (ii) Within the time specified in paragraph 16, Seller shall deliver to Buyer a Copy of the Park rules and regulations. Within the time specified in paragraph 16, Buyer shall Deliver to Seller Buyer's written approval of Park rules and regulations.

13. CONDITION OF PROPERTY: Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

CAUTION: Sellers not using a licensed real estate agent or licensed manufactured home dealer are prohibited from selling a personal property manufactured home "AS IS" unless the manufactured home meets, as applicable, the requirements of HCD or the National Manufactured Housing Construction and Safety Standards Act of 1974.

Buyer's Initials ( CS ) ( \_\_\_\_\_ )  
MHPA REVISED 11/14 (PAGE 5 OF 11)

Seller's Initials ( CO ) ( \_\_\_\_\_ )



MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 5 OF 11)

Produced with zipForm® by zipLogix 18970 Fifteen Mile Road, Fraser, Michigan 48026 [www.zipLogix.com](http://www.zipLogix.com)

15300 Palm Dr., #9

**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

- A. Seller shall, within the time specified in paragraph 16A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.
- B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 16B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.
- 14. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**
- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 16B. Within the time specified in paragraph 16B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 16B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. Buyer indemnify and seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.
- 15. TITLE AND VESTING:**
- A. Within the time specified in paragraph 16, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 16B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 16A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a CLTA/ALTA "Homeowner's Policy of Title Insurance", if applicable to the type of property and buyer. If not, Escrow Holder shall notify Buyer. A title company can provide information about the availability, coverage, and cost of other title policies and endorsements. If the Homeowner's Policy is not available, Buyer shall choose another policy, instruct Escrow Holder in writing and shall pay any increase in cost.
- F. If the manufactured home is personal property, title is to be free of liens and encumbrances, recorded, filed, registered or known to Seller, unless otherwise agreed in writing. Evidence of title shall be by delivery of: (i) a duly endorsed and dated Certificate of Ownership; and (ii) a current Registration Certificate, as required by Law. If Seller is unable to deliver title as herein provided, Buyer may cancel this Agreement, and Buyer's deposit shall be returned to Buyer. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

Buyer's Initials ( BS ) ( \_\_\_\_\_ )

Seller's Initials ( CD ) ( \_\_\_\_\_ )



MHPA REVISED 11/14 (PAGE 6 OF 11)

MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 6 OF 11)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.zipLogix.com](http://www.zipLogix.com)

15300 Palm Dr. #9

**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

16. **TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS:** The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. **SELLER HAS:** 7 (or \_\_\_\_ ) Days After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8B(4), 10A, B, C, and F, 13A, and 15A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.

B. (1) **BUYER HAS:** 17 (or \_\_\_\_ ) Days After Acceptance, unless otherwise agreed in writing, to:

(i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(4) and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 10A.

(2) Within the time specified in paragraph 16B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.

(3) By the end of the time specified in paragraph 16B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 16A, then Buyer has 5 (or \_\_\_\_ ) Days After Delivery of any such items, or the time specified in paragraph 16B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) **Continuation of Contingency:** Even after the end of the time specified in paragraph 16B(1) and before Seller cancels, if at all, pursuant to paragraph 16C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 16C(1).

C. **SELLER RIGHT TO CANCEL:**

(1) **Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) **Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): (i) Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3L(1); (iv) Deliver verification as required by paragraph 3C or 3J or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3J; (v) In writing assume or accept leases or liens specified in 8B5; (vi) Return Statutory and Lead Disclosures as required by paragraph 10A(5); or (vii) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 23B; or (viii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 21. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

D. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 (or \_\_\_\_ ) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 16.

E. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

F. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or \_\_\_\_ ) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

G. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BORD or SDRD). Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).

17. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

18. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within 5 (or \_\_\_\_ ) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 13; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

Buyer's Initials ( AS ) ( \_\_\_\_\_ )

Seller's Initials ( CS ) ( \_\_\_\_\_ )

MHPA REVISED 11/14 (PAGE 7 OF 11)

MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 7 OF 11)

Produced with zipForm® by zipLogix 11070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

15300 Palm Dr., #9

**Exhibit 3**



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

19. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

20. **BROKERS:**

- A. **COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
- B. **SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

21. **REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 34 or 35 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which the party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code §18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

22. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 10C, 15, 16G, 19, 20A, 21, 22, 28, 32, 33, 35 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 20A, or paragraph D of the section titled Real Estate Brokers on page 11 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 (or \_\_\_\_ ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 10 or elsewhere in this Agreement.
- B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or \_\_\_\_ ). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 10C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 20A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 20A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

Buyer's Initials ( AS ) ( \_\_\_\_\_ )  
MHPA REVISED 11/14 (PAGE 8 OF 11)

Seller's Initials ( WD ) ( \_\_\_\_\_ )



MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 8 OF 11)

Produced with zipForm® by zipLogix 16070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

15300 Palm Dr. #9

**Exhibit 3**

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

**23. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.
- B. **LIQUIDATED DAMAGES:** If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 16G, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. **AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials OS / \_\_\_\_\_ Seller's Initials \_\_\_\_\_ / \_\_\_\_\_

**24. DISPUTE RESOLUTION:**

- A. **MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center ([www.consumermediation.org](http://www.consumermediation.org)) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. **THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED.** Exclusions from this mediation agreement are specified in paragraph 24C.

**B. ARBITRATION OF DISPUTES:**

The Parties agree that any dispute or claim in law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 24C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials OS / \_\_\_\_\_ Seller's Initials \_\_\_\_\_ / \_\_\_\_\_

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.
25. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
26. **MULTIPLE LISTING SERVICE ("MLS"):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

Buyer's Initials ( OS ) ( \_\_\_\_\_ )

Seller's Initials ( CD ) ( \_\_\_\_\_ )



MHPA REVISED 11/14 (PAGE 9 OF 11)

MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 9 OF 11)

Produced with zipForm® by zipLogix 16070 Fifteen Mile Road, Fraser, Michigan 48226 [www.zipLogix.com](http://www.zipLogix.com)

15300 Palm Dr. #9

**Exhibit 3**



DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

27. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 24A.
28. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOA)
29. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
30. **PROPERTY DAMAGE OR DESTRUCTION:** In the event of destruction or damage to a material part of the Property through no fault of Buyer before Buyer receives either title or possession, Seller cannot enforce this Agreement and Buyer is entitled to receive any portion of the purchase price Buyer has paid. In the event of destruction or damage to a material part of the Property through no fault of Seller after Buyer receives either title or possession, Buyer is not relieved of the obligation to purchase under this Agreement, and Buyer is not entitled to recover any portion of the purchase price Buyer has paid.
31. **TERMS AND CONDITIONS OF OFFER:**  
This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.
32. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.
33. **DEFINITIONS:** As used in this Agreement:
- A. "Acceptance" means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.
  - B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
  - C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
  - D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
  - E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
  - F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
  - G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
  - H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
  - I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
  - J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
  - K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
  - L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
  - M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
34. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by \_\_\_\_\_, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by \_\_\_\_\_ ☐ AM/ ☐ PM, on \_\_\_\_\_ (date)).

☐ One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD) for additional terms.

Date 09/28/2017 BUYER

(Print name) Calvin Schofield

Date \_\_\_\_\_ BUYER

(Print name) \_\_\_\_\_

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

Seller's Initials ( \_\_\_\_\_ ) ( \_\_\_\_\_ )



MHPA REVISED 11/14 (PAGE 10 OF 11)

MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 10 OF 11)

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.zipLogix.com](http://www.zipLogix.com)

15300 Palm Dr., #9

Exhibit 3

DigiSign Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

Date: September 28, 2017

35. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement.

Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer. *See changes made to contract*

☐ (If checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED *Charles Daff Trustee* CD

☐ One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD) for additional terms.

Date \_\_\_\_\_ SELLER \_\_\_\_\_

(Print name) \_\_\_\_\_

Date \_\_\_\_\_ SELLER \_\_\_\_\_

(Print name) \_\_\_\_\_

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

(\_\_\_\_\_/\_\_\_\_\_) (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_

☐ AM/ ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

#### REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.  
B. Agency relationships are confirmed as stated in paragraph 2.  
C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.  
D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) *Berkshire Hathaway HomeServices*

CalBRE Lic. # 01170031

By *Victor Yepello* Victor Yepello CalBRE Lic. # 01724773

Date 09/28/2017

By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_

Date \_\_\_\_\_

Address 2905 Tahquitz Canyon Way City Palm Springs

State CA Zip 92262

Telephone (760)323-5000

Fax (760)308-6776

E-mail vic@vicandron.com

Real Estate Broker (Listing Firm) *The Dyson Companies*

CalBRE Lic. # \_\_\_\_\_

By *Debbie Priebe* Debbie Priebe CalBRE Lic. # 01738826

Date \_\_\_\_\_

By \_\_\_\_\_ CalBRE Lic. # \_\_\_\_\_

Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

Telephone \_\_\_\_\_

Fax \_\_\_\_\_

E-mail debpriebe@sss-iv.com

#### ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, ☐ a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_ ☐ Seller's Statement of Information and \_\_\_\_\_

, and agrees to act as Escrow Holder subject to paragraph 22 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_

Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

Phone/Fax/E-mail \_\_\_\_\_

Escrow Holder has the following license number # \_\_\_\_\_

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Bureau of Real Estate.

PRESENTATION OF OFFER: (\_\_\_\_\_) (\_\_\_\_\_) Listing Broker presented this offer to Seller on \_\_\_\_\_ (date).  
Broker or Designee Initials \_\_\_\_\_

REJECTION OF OFFER: (\_\_\_\_\_) (\_\_\_\_\_) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
Seller's Initials \_\_\_\_\_

©2014, California Association of REALTORS®, Inc. United States copyright law (Title 17 U.S. Code) forbids the unauthorized distribution, display and reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.



Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020  
MHPA REVISED 11/14 (PAGE 11 of 11)

Buyer's Acknowledge that page 11 is part of  
this Agreement ( *03* ) ( \_\_\_\_\_ )

Reviewed by  
Broker or Designee \_\_\_\_\_



MANUFACTURED HOME PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (MHPA PAGE 11 OF 11)

Produced with zipForm® by zipLogix 15070 Fifteen Mile Road, Fraser, Michigan 48025 www.ziplogix.com

15300 Palm Dr. #9

Exhibit 3

Vy

DigiSign-Verified: 1250428D-DAAD-4175-AF17-4F4FB9CED04F



CALIFORNIA  
ASSOCIATION  
OF REALTORS®

## BUYER'S INSPECTION ADVISORY

(C.A.R. Form BIA, Revised 11/14)

Property Address: 15300 Palm Dr., Desert Hot Springs, CA 92240

("Property").

**1. IMPORTANCE OF PROPERTY INVESTIGATION:** The physical condition of the land and improvements being purchased is not guaranteed by either Seller or Brokers. You have an affirmative duty to exercise reasonable care to protect yourself, including discovery of the legal, practical and technical implications of disclosed facts, and the investigation and verification of information and facts that you know or that are within your diligent attention and observation. A general physical inspection typically does not cover all aspects of the Property nor items affecting the Property that are not physically located on the Property. If the professionals recommend further investigations, including a recommendation by a pest control operator to inspect inaccessible areas of the Property, you should contact qualified experts to conduct such additional investigations.

**2. BROKER OBLIGATIONS:** Brokers do not have expertise in all areas and therefore cannot advise you on many items, such as those listed below. If Broker gives you referrals to professionals, Broker does not guarantee their performance.

**3. YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO THE FOLLOWING. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

- A. GENERAL CONDITION OF THE PROPERTY, ITS SYSTEMS AND COMPONENTS:** Foundation, roof (condition, age, leaks, useful life), plumbing, heating, air conditioning, electrical, mechanical, security, pool/spa (cracks, leaks, operation), other structural and nonstructural systems and components, fixtures, built-in appliances, any personal property included in the sale, and energy efficiency of the Property.
- B. SQUARE FOOTAGE, AGE, BOUNDARIES:** Square footage, room dimensions, lot size, age of improvements and boundaries. Any numerical statements regarding these items are APPROXIMATIONS ONLY and have not been verified by Seller and cannot be verified by Brokers. Fences, hedges, walls, retaining walls and other barriers or markers do not necessarily identify true Property boundaries.
- C. WOOD DESTROYING PESTS:** Presence of, or conditions likely to lead to the presence of wood destroying pests and organisms.
- D. SOIL STABILITY:** Existence of fill or compacted soil, expansive or contracting soil, susceptibility to slippage, settling or movement, and the adequacy of drainage.
- E. WATER AND UTILITIES; WELL SYSTEMS AND COMPONENTS; WASTE DISPOSAL:** Water and utility availability, use restrictions and costs. Water quality, adequacy, condition, and performance of well systems and components. The type, size, adequacy, capacity and condition of sewer and septic systems and components, connection to sewer, and applicable fees.
- F. ENVIRONMENTAL HAZARDS:** Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, materials, products, or conditions (including mold (airborne, toxic or otherwise), fungus or similar contaminants).
- G. EARTHQUAKES AND FLOODING:** Susceptibility of the Property to earthquake/seismic hazards and propensity of the Property to flood.
- H. FIRE, HAZARD AND OTHER INSURANCE:** The availability and cost of necessary or desired insurance may vary. The location of the Property in a seismic, flood or fire hazard zone, and other conditions, such as the age of the Property and the claims history of the Property and Buyer, may affect the availability and need for certain types of insurance. Buyer should explore insurance options early as this information may affect other decisions, including the removal of loan and inspection contingencies.
- I. BUILDING PERMITS, ZONING AND GOVERNMENTAL REQUIREMENTS:** Permits, inspections, certificates, zoning, other governmental limitations, restrictions, and requirements affecting the current or future use of the Property, its development or size.
- J. RENTAL PROPERTY RESTRICTIONS:** Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants, and the right of a landlord to terminate a tenancy. Deadbolt or other locks and security systems for doors and windows, including window bars, should be examined to determine whether they satisfy legal requirements.
- K. SECURITY AND SAFETY:** State and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property.
- L. NEIGHBORHOOD, AREA, SUBDIVISION CONDITIONS; PERSONAL FACTORS:** Neighborhood or area conditions, including schools, law enforcement, crime statistics, registered felons or offenders, fire protection, other government services, availability, adequacy and cost of internet connections or other technology services and installations, commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners' Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

By signing below, Buyers acknowledge that they have read, understand, accept and have received a Copy of this Advisory. Buyers are encouraged to read it carefully.

Buyer Calvin Schofield  
Calvin Schofield

Buyer \_\_\_\_\_

© 1991-2004, California Association of REALTORS®, Inc. THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ACCURACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.



Published and Distributed by:  
REAL ESTATE BUSINESS SERVICES, INC.  
a subsidiary of the California Association of REALTORS®  
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_

BIA REVISED 11/14 (PAGE 1 OF 1)

BUYER'S INSPECTION ADVISORY (BIA PAGE 1 OF 1)



Berkshire Hathaway HomeService, 2905 Tahquitz Canyon Way Palm Springs, CA 92262  
Victor Yepello

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 [www.ziplogix.com](http://www.ziplogix.com)

Phone: 760.660.0010

Fax: 760.308-6776

15300 Palm Dr., #9

# Exhibit 3

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: **100 Spectrum Center Drive, Suite 600, Irvine, California 92618**

*A true and correct copy of the foregoing document entitled (specify): **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:*

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) **November 16, 2017**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

- **Lynda T. Bui** lbui@shbllp.com Attorney for Chapter 7 Trustee
- **Curtis A Cavalletto** andy@cavalletto.net, G3560@notify.cincompass.com Attorney for the Debtors
- **Charles W Daff (TR)** charleswdaff@gmail.com, c122@ecfcbis.com Chapter 7 Trustee
- **Rika M. Kido** rkido@shbllp.com, avernon@shbllp.com Attorney for Chapter 7 Trustee
- **United States Trustee (RS)** ustpreion16.rs.ecf@usdoj.gov United States Trustee

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (date) **November 16, 2017**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**Judge's Copy**

**Hon Mark S. Wallace, U.S. Bankruptcy Court, 411 W Fourth St, Suite 6135, Santa Ana, CA 92701**

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (date) **Not Applicable**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

**November 16, 2017**

**Lorre Clapp**

**/s/ Lorre Clapp**

Date

Printed Name

Signature

**U.S. MAIL SERVICE LIST**

**Buyer**

Calvin Schofield  
107 E Coeur d'Alene Ave  
Coeur d'Alene, ID 83814

**Buyer's Broker**

Berkshire Hathaway Home Service California Property  
Victor Yepello  
2905 E Tahquitz Canyon Way  
Palm Springs, CA 92262

**Trustee's Broker**

The Dyson Companies  
Deborah Preibe  
12707 High Bluff Drive, Suite 200  
San Diego, CA 92130

**Debtors, Creditors and Parties in Interest**

**DEBTORS**

JAY L MOFFET  
MAX E KENNEDY  
P O BOX 12917  
PALM DESERT, CA 92255-2917

**COURT MAILING LIST**

FRANCHISE TAX BOARD  
BANKRUPTCY SECTION MS: A-340  
P.O. BOX 2952  
SACRAMENTO, CA 95812-2952

**COURT MAILING LIST**

BANK OF AMERICA  
PO BOX 982238  
EL PASO TX 79998-2238

**COURT MAILING LIST**

CAPITAL ONE  
PO BOX 30285  
SALT LAKE CITY UT 84130-0285

**COURT MAILING LIST**

CREDIT FIRST N A  
6275 EASTLAND RD  
BROOK PARK, OH 44142-1399

**CLAIM FILED**

QUANTUM3 GROUP LLC AS AGENT FOR  
COMENITY CAPITAL BANK  
PO BOX 788  
KIRKLAND, WA 98083-0788

**COURT MAILING LIST**

SYNCB/SAM'S CLUB DC  
PO BOX 965005  
ORLANDO, FL 32896-5005

**UNITED STATES TRUSTEE**

UNITED STATES TRUSTEE (RS)  
3801 UNIVERSITY AVENUE, SUITE 720  
RIVERSIDE, CA 92501-3255

**COURT MAILING LIST**

AMERICAN HONDA FINANCE  
10801 WALKER ST STE 140  
CYPRESS, CA 90630-5042

**COURT MAILING LIST**

BANK OF AMERICA, N.A.  
4909 SAVARESE CIR  
TAMPA, FL 33634-2413

**COURT MAILING LIST**

CHASE CARD  
PO BOX 15298  
WILMINGTON, DE 19850-5298

**CLAIM FILED**

CREDIT FIRST N A  
PO BOX 818011  
CLEVELAND, OH 44181

**COURT MAILING LIST**

SHELL/CBNA  
PO BOX 6497  
SIOUX FALLS, SD 57117-6497

**COURT MAILING LIST**

SYNCB/LOWES  
PO BOX 956005  
ORLANDO, FL 32896-0001

**COURT MAILING LIST**

EMPLOYMENT DEVELOPMENT DEPT.  
BANKRUPTCY GROUP MIC 92E  
P.O. BOX 826880  
SACRAMENTO, CA 94280-0001

**COURT MAILING LIST**

AMERICAN HONDA FINANCE  
P O BOX 168088  
IRVING TX 75016-8088

**CLAIM FILED**

CAPITAL ONE BANK (USA), N.A.  
BY AMERICAN INFOSOURCE LP AS AGENT  
PO BOX 71083  
CHARLOTTE, NC 28272-1083

**COURT MAILING LIST**

COMENITYCAPITAL/SMLE  
PO BOX 182120  
COLUMBUS, OH 43218-2120

**CLAIM FILED**

PYOD LLC ITS SUCCESSORS AND  
ASSIGNS AS ASSIGNEE OF CITIBANK NA  
RESURGENT CAPITAL SERVICES  
PO BOX 19008  
GREENVILLE, SC 29602

**COURT MAILING LIST**

SYNCB/CHEVRON PLCC  
PO BOX 965015  
ORLANDO, FL 32896-5015

**COURT MAILING LIST**

SYNCB/MAACO & MEINEKE  
950 FORRER BLVD  
KETTERING, OH 45420-1469

**CLAIM FILED**

SYNCHRONY BANK  
C/O PRA RECEIVABLES  
MANAGEMENT LLC  
PO BOX 41021  
NORFOLK, VA 23541

RETURNED MAIL

**NOTICE PURPOSES**

INTERNAL REVENUE SERVICE  
PO BOX 7346  
PHILADELPHIA, PA 19101-7346

**N/A**

**COURT MAILING LIST**

RIVERSIDE DIVISION  
3420 TWELFTH STREET,  
RIVERSIDE, CA 92501-3819